

# NOVA TECHNOLOGY CORP.

## 2024 Annual Shareholders' Meeting Minutes

(Translation)

*(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)*

**Time :** 9:00 a.m on Tuesday, May 21, 2024

**Place :** 2F, No.76, Sec.2, Jiafeng S. Rd., Zhubei City, Hsinchu County 302054,  
Taiwan (Zenfar APEC business center)

**Meeting type :** Hybrid Shareholders' Meeting

(physical shareholders meeting supported by video conferencing)

**E-Meeting Platform :** Taiwan Depository & Clearing Corporation

(<https://stockservices.tdcc.com.tw/evote/index.html>)

### **Shareholders in attendances :**

A total of 51,192,881 shares were represented by shareholders, of these, 49,917,905 votes casted electronically and votes casted through the e-Meeting platform, accounting for 68.71% of the company's total outstanding shares, which stands at 74,503,288 shares.

### **Directors in attendances :**

Chin-Li Liang, Chairman of the Board of Directors

Bi-Hui Wu, Director

Wei Ma, Director & President

Hui-Yin Chiu, Independent Director, the Convener of Audit Committee

Sheng-Yung Yang, Independent Director

Chih-Yi Chi, Independent Director

Cheng Li, Independent Director

### **Attending as Delegates :**

Chun-Yen Ou, CFO

Cheng-Hsueh Chen, CPA

Hui-Chi Yang, Attorney-at-law

**Chairman :** Chin-Li Liang

**Recorded by :** Chun-Yen Ou

**1. Call the Meeting to Order :** The aggregate shareholding of the shareholders present constituted a quorum. The chairman called the meeting to order.

**2. Chairman Remarks : (omitted)**

**3. Report Items :**

**Report No. 1 :** To report the business of 2023. (Proposed by the Board of Directors)

**Explanation :** For the company's 2023 business reports and financial related statements are attached hereto as Attachments 1 and 2.

Shareholder account number : 3638

Shareholders' summary : What is the effect of sustainable development in 2023 and how to achieve net zero carbon reduction.

Chairman's answer : In order to strengthen the corporate system, we start with corporate governance to care for the society and protect the environment. In terms of corporate governance, Novatech has consistently maintained the top 5% performance in the corporate governance evaluation. In dividend distribution, we hope to realize the concept of taking and using for society, return dividends to shareholders, and promote the company towards sustainable development.

In terms of social care, based on the industry, we continue to care for the surrounding vulnerable groups and participate in public welfare activities, hoping to make progress together with the society.

In terms of environmental protection, through the development of technology and recycling equipment, and the application of materials to reduce losses, reduce owners' related construction costs, and reduce the carbon emissions of the industry in the production process. This is what we continue to push for in 2023 and look forward to doing even better in 2024.

**ReportNo. 2 :** 2023 Audit Committee's Review Report. (Proposed by the Board of Directors)

**Explanation :** The Audit Committee's Review Report is attached hereto as Attachment 3.

**Report No. 3 :** To report 2023 remuneration to directors and employees' compensation. (Proposed by the Board of Directors)

**Explanation :**

- (1) According to the Article 19-1 of the Articles of Incorporation.
- (2) The company proposed to allocate 5% for employee compensation (not less than 3%) in the amount of NTD\$67,703,882. It also planned to allocate 2% for the remuneration of directors (not higher than 5%) in the amount of NTD\$27,081,553. The employees' and directors' remuneration are to be distributed in cash. There is no difference between the amount of employees' and directors' remuneration recognized in the 2023 financial statements.

**Report No. 4 :** To report the cash dividend distribution of 2023. (Proposed by the Board of Directors)

**Explanation :** Cash dividends on common shares for the first half of 2023 at the total amount of NT\$252,394,552 (NT\$3.42936322 per share) were distributed on January 26, 2024; cash dividends on common shares for the second half of 2023 at the total amount of NT\$518,738,850 (NT\$7 per share). When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense. In case of a change in the dividend yield caused by a change in the number of the Company's outstanding shares arising from the conversion of the Company's convertible bonds or other laws and regulations, the Chairman is authorized to resolve at his discretion.

**Report No. 5 :** To report the collection of 2023 remuneration to the directors.  
(Proposed by the Board of Directors)

**Explanation :**

- (1) Policies, standards, and packages, procedure for determining remuneration to Directors and Independent Directors, and linkage thereof to operating performance and future risk exposure:

**I. Director**

Remuneration for directors shall be determined according to the company's Regulations Governing Remuneration Paid to Directors and Functional Committee. And include corporate sustainability indicators such as legal compliance, corporate governance, risk control, corporate social responsibility. Remuneration for directors includes transportation and attendance fare for directors per meeting. According to Article 19-1 of the Articles of Incorporation, when distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not more than five percent of the income before tax exclude the amount of employees' and directors' remuneration as remuneration to directors and is stipulated with the Company's performance. The remuneration to directors shall be approved by Remuneration Committee and Board of Directors. The Directors' remuneration will not be paid to Independent Directors.

**II. Independent Director**

Remuneration for Independent directors shall be determined according to the company's Regulations Governing Remuneration Paid to Directors and Functional Committee. Remuneration for independent directors includes fixed fee, transportation and attendance fee per meeting. If an independent director is appointed as a member of any functional committee by the board of directors of the company, he/she will receive additional remuneration.

- (2) The collection of 2023 remuneration to the directors is attached hereto as Attachment 4.

**Report No. 6 :** Status of implementation of the 1th domestic unsecured convertible bonds in 2023.

(Proposed by the Board of Directors)

**Explanation :**

- (1) The issuance of the 1st domestic unsecured convertible bond was filed and effective through the Financial Supervisory Commission authorization No. 1110361130 dated on Nov. 11, 2022 and was listed for trading on OTC markets on Dec. 12, 2022.
- (2) Fund utilization plan: Boost the company's working capital and repay bank borrowings.
- (3) Key points of issuance:
- A. Face value per bond: NT\$100,000
  - B. Issuance period: 3 years
  - C. Issue price: 101% of par value, total par value is NT\$800 million
  - D. Coupon rate: 0%
  - E. Conversion price: The conversion price at the time of issuance was NT\$89.5, the latest conversion price was NT\$80.2
- (4) Progress of fund utilization: Completed in the 2023 Q1.

**Report No. 7 :** To report the Reduction of Shareholding in the Subsidiary, Rayzher Industrial Co., Ltd.

(Proposed by the Board of Directors)

**Explanation :**

- (1) In coordination with the plan for the subsidiary Rayzher Industrial Co., Ltd. (hereinafter referred to as "Rayzher") applying for listing and considering the operational needs of the group, our company reduced its shareholding in Rayzher from 51.31% to 45.59% in 2023, as part of strategic planning. As our company's direct or indirect ownership in Rayzher has not cumulatively reached 20%

due to this reduction, we are not obliged to offer priority subscription rights to existing shareholders according to relevant regulations for applying for listing. However, the reasons for the reduction in shareholding, the transferee, the price, and the procedures are legal and reasonable, in compliance with regulations, and have adequately protected the rights and interests of our company's shareholders.

- (2) The Reduction of Shareholding in the Subsidiary, Rayzher reports is attached hereto as Attachments 5.

**Report No. 8 :** To report waive the participation in cash capital increase of subsidiary Suzhou Winmax Technology Corp.

(Proposed by the Board of Directors)

**Explanation :** Suzhou Winmax Technology Corp. (hereinafter referred to as "Suzhou Winmax") and Winmax Technology Corp. (hereinafter referred to as "Winmax") are proposing a cash increase in capital of RMB 62,247,401 (approximately USD 8.75 million) by Suzhou Winmax, representing approximately 13.33% of the registered capital after the capital increase of Suzhou Winmax, to meet the organizational development needs. Our company is relinquishing its subscription rights for this round, with the total subscription being made by four holding platforms owned by employees of Suzhou Winmax and Winmax, as well as natural persons. The subscription price per share is based on the net asset value as of October 2023 financial statements according to IFRS and shall not be lower than the net asset value.

#### **4. Proposed Resolutions :**

**Proposal No. 1 :** To approve 2023 Business Report and Financial Statements.  
(Proposed by the Board of Directors)

**Explanation :**

- (1) The Parent Company Only Financial Statements and Consolidated Financial Statements of the Company in 2023 have been approved at the Board of Directors on February 20, 2024 and audited by Chien-Hui Lu and Cheng-Hsueh Chen the CPA of KPMG Firm.

The Financial Statements mentioned above, along with Business Report, have been verified by the Audit Committee and the review report was issued, accordingly.

- (2) 2023 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto as Attachments 1 and 2.

**Voting Results :** Shares represented at the time of voting : 51,192,881 (including 49,917,905 votes voted via electronic transmission and E-Meeting)

Voting Results	% of the total represented share present
Votes in favor : 49,915,029 votes (including 48,640,421 votes voted via electronic transmission and E-Meeting)	97.50%
Votes against : 18,362 votes (including 18,362 votes voted via electronic transmission and E-Meeting)	0.03%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,259,490 votes (including 1,259,122 votes voted via electronic transmission and E-Meeting)	2.46%

**Resolution :** The above proposal be and hereby was apporved as proposed.

**Proposal No. 2 :** To approve the proposal for distribution of 2023 profits.

(Proposed by the Board of Directors)

**Explanation :** The 2023 Profit Distribution Table as follows:

**NOVA TECHNOLOGY CORP.  
PROFIT DISTRIBUTION TABLE  
Year 2023**

Unit: NTD	
Beginning retained earnings	794,284,565
Add: Remeasurement of Defined Benefit Obligation	5,412,000
Add: Net Income of 2023	1,042,088,732
Less: 10% Legal reserve	104,750,073
Add: Reversal of special reserve	47,218,099
Retained Earnings Available for Distribution as of December 31, 2023	1,784,253,323
Distribution items:	
Less:Cash Dividend to shareholders in the first half of 2023	252,394,552
Less:Cash Dividend to shareholders in the second half of 2023	518,738,850
Unappropriated retained earnings	1,013,119,921

Note 1:Cash dividend distribution has been resolved by the Board of Directors and reported to this shareholder's meeting.

Note 2:In case of a change in the dividend yield caused by a change in the number of the Company's outstanding shares arising from the conversion of the Company's convertible bonds or other laws and regulations, the Chairman is authorized to resolve at his discretion.



**Voting Results :** Shares represented at the time of voting : 51,192,881 (including 49,917,905 votes voted via electronic transmission and E-Meeting)

Voting Results	% of the total represented share present
Votes in favor : 49,959,005 votes (including 48,684,397 votes voted via electronic transmission and E-Meeting)	97.58%
Votes against : 18,386 votes (including 18,386 votes voted via electronic transmission and E-Meeting)	0.03%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,215,490 votes (including 1,215,122 votes voted via electronic transmission and E-Meeting)	2.37%

**Resolution :** The above proposal be and hereby was apporved as proposed.

## **5. Discussion Items :**

**Proposal No. 1 :** To amend the Company's " Procedure for Acquisition or Disposal of Assets ". (Proposed by the Board of Directors)

### **Explanation :**

- (1) In order to conform to the amendments of meet the needs of the company's operations, the company hereby proposes to amend Procedure for Acquisition or Disposal of Assets.
- (2) The Comparison Table for the Procedure for Acquisition or Disposal of Assets Before and After Revision is attached hereto as Attachment 6.

**Voting Results :** Shares represented at the time of voting : 51,192,881 (including 49,917,905 votes voted via electronic transmission and E-Meeting)

Voting Results	% of the total represented share present
Votes in favor : 49,862,407 votes (including 48,587,799 votes voted via electronic transmission and E-Meeting)	97.40%
Votes against : 19,754 votes (including 19,754 votes voted via electronic transmission and E-Meeting)	0.03%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,310,720 votes (including 1,310,352 votes voted via electronic transmission and E-Meeting)	2.56%

**Resolution :** The above proposal be and hereby was apporved as proposed.

**Proposal No. 2 :** To amend the Company's "Rules of Procedure for Shareholder Meetings". (Proposed by the Board of Directors)

**Explanation :**

- (1) In order to conform to the amendments of related laws, the company hereby proposes to amend Rules of Procedure for Shareholder Meetings.
- (2) The Comparison Table for the Rules of Procedure for Shareholder Meetings Before and After Revision is attached hereto as Attachment 7.

**Voting Results :** Shares represented at the time of voting : 51,192,881 (including 49,917,905 votes voted via electronic transmission and E-Meeting)

Voting Results	% of the total represented share present
Votes in favor : 49,862,087 votes (including 48,587,479 votes voted via electronic transmission and E-Meeting)	97.40%
Votes against : 20,054 votes (including 20,054 votes voted via electronic transmission and E-Meeting)	0.03%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,310,740 votes (including 1,310,372 votes voted via electronic transmission and E-Meeting)	2.56%

**Resolution :** The above proposal be and hereby was apporved as proposed.

**Proposal No. 3 :** To release the directors from non-competition restrictions.

(Proposed by the Board of Directors)

**Explanation :**

- (1) According to Paragraph 1, Article 209 of Company Act, any director acting for himself/ herself, or for any other person within the scope of the Company business, should explain the important matters of such acts and acquire the approval of the shareholders' meeting.
- (2) It is proposed to submit to the 2024 Annual Meeting for approval on the lifting of newly-elected directors of non-competition restrictions directors, who participate in the operations of other company that engages in the same or similar business as the Company.

Title	Name	Current Adjunct Positions
Director	Acter Co., Ltd. Representative: Wei Ma	<ul style="list-style-type: none"> <li>● Director, Winmega Technology Corp.</li> <li>● Director, Rayzher Industrial Co., Ltd.</li> <li>● Director, Fengze Engineering Co., Ltd.</li> <li>● Chairman, Dadewin Technology Corp.</li> </ul>

**Voting Results :** Shares represented at the time of voting : 51,192,881 (including 49,917,905 votes voted via electronic transmission and E-Meeting)

Voting Results	% of the total represented share present
Votes in favor : 49,843,677 votes (including 48,569,069 votes voted via electronic transmission and E-Meeting)	97.36%
Votes against : 37,218 votes (including 37,218 votes voted via electronic transmission and E-Meeting)	0.07%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,311,986 votes (including 1,311,618 votes voted via electronic transmission and E-Meeting)	2.56%

**Resolution :** The above proposal be and hereby was apporved as proposed.

**6.Questions and Motions :** None.

**7.Adjournment :** 9:36 a.m

Note1. Minutes of the shareholders' general meeting only include the essentials of the results of the discussions and their results. The content, procedures, and speeches of shareholders are still subject to the audio-visual records of the meeting.

Note2. The proportions of approval votes, disapproval votes, abstention votes, and invalid votes to total votes were rounded down to the second decimal place, and may not total 100.00%.

## Business Report of 2023

### 2023 Business Review

#### A. Implementation results of business plan

In recent years, the strong demand for cross-strait semiconductor expansion led to a increase in overall revenue. The consolidated operating revenue in 2023 reached NTD 9,140 million, which increase 6.4% compared to last year. In terms of profit, the consolidated net profit after tax of 2023 was NTD 1,042 million, increase 30.8% compared to last year.

Unit: NTD thousands, %

Item	2023	2022	Diff.
Operating revenue	9,139,994	8,592,983	6.4
Operating Cost	6,815,037	6,670,533	2.2
Gross profit	2,324,957	1,922,450	20.9
Operating expenses	847,646	739,910	14.6
Operating income	1,477,311	1,182,540	24.9
Non-Operating income and expenses	91,233	103,688	(12.0)
Income before income taxes	1,568,544	1,286,228	21.9

#### (1) State of 2023 budget implementation :

This item is not applicable since Nova Tech has not disclosed any financial forecasts.

#### (2) Financial structure and profitability

Item		2023	2022
Financial Structure	Debt to asset ratio (%)	53.85	62.42
	Long-term capital to property, plant and equipment (%)	1,356.49	1,276.43
Solvency	Current ratio (%)	187.35	184.80
	Quick ratio (%)	98.31	115.59
Profitability	Return on assets (%)	10.89	10.14
	Return on stockholders' equity (%)	25.33	24.73
	Ratio to issued capital (%) (Note)	Operating income	37.59
		Pre-tax income	39.91
	Profit ratio (%)	12.62	11.12
	Basic after-tax EPS (NTD) (Par value NT\$5 per share)	14.95	11.74

Note: In the case of shares issued by a company with no par value or a par value other than NT\$10 per share, the calculation of ratio of the paid-in capital shall be replaced by ratio of the equity attributable to owners of the parent.

#### B. Technology and R&D Overview:

Although facing the overall economic slump, Nova Tech actively invests in R&D aspect. The R&D department continuously develops various innovative engineering methods and equipment improvements for different industries and projects in order to meet customers' needs and enhance our advantages. Include process waste solvent and waste TMAH recycling and reuse, and wafer cleaner.

## **Business Plan for 2024**

### **A. Business objectives**

- (1) Implement corporate governance and deepen corporate culture.
- (2) Sustaining the relationship with existing customers in Taiwan, mainland China and Other Asia, developing new customers to improve operational efficiency.
- (3) Strengthen cooperation with international partners and collaborate with universities to develop the professional and technical capabilities of green energy, water resources engineering as well as high-tech manufacture equipment.
- (4) Recruiting multiple talents and actively training management teams.

### **B. Sales forecast and sales policy**

In the medium to long term, the foundry market will become more fragmented because the building and diversification of production capacity will take place across different regions. Covering 2022 to 2024, the World Fab Forecast report shows that the global semiconductor industry plans to begin operation of 82 new volume fabs, including 11 projects in 2023 and 42 projects in 2024. Governments worldwide are now much more aware of the importance of local manufacturing due to recent geopolitical events, and semiconductor chips have gradually emerged as a strategic resource.

## **Future development strategy**

High-tech process supply systems are mainly used in semiconductor, optoelectronics, and other high-investment industries, where safety and quality requirements are competitive. The technology and demand of high-tech industries are changing with each passing day, which can adapt to the changes in the market and raise the development of the business, so that they can survive and grow rapidly under the elimination mechanism of market. In the situation where the competition between domestic and foreign peers has become more intense, technological capabilities, scale economies, efficiency enhancement, and integration services are the winning factors. In view of this, the company continued to carry out research and development of related products, seeking cooperation between domestic and foreign advanced products and manufacturers, and constantly self-improvement, in response to market demand and future development. The Company will seek for the opportunities in integration of industrial up-stream and down-stream to increase the overall synergy.

Due to climate and environmental changes, water shortages are spreading throughout the world. The World Meteorological Organization predicts that one billion people will face drinking water crisis in the global coastal areas in 2050. Our company has cooperated with international water resources professional companies to develop water resources related system equipment and engineering to provide customers with the best solutions and services, and to take the responsibilities of global citizens.

## **The impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Conditions**

### **A. External competitive environment**

Governments worldwide are now much more aware of the importance of local manufacturing due to geopolitical events, Digital Transformation, and the global semiconductor industry supply chain has been restructured; in addition, the cost of raw materials has risen sharply, and the supply of chips has been severely in short supply. Taiwan's semiconductor production capacity has become a strategist A battleground. However, Taiwan's semiconductor industry not only encountered a shortage of long and short materials, but also faced the urgent need of a serious shortage of talents. In current industrial competition pattern, we can quickly grasp the source of raw materials and provide customers with faster and more advanced products and services, which are the important factors related to being the leader in the industry. In addition, the awareness and cultivation of ESG (environment, social responsibility and corporate governance) should also be paid attention to in the cultivation of professional and leadership

talents in the future, so as to keep up with the international trend of sustainable development. In view of this, our company continued to carry out research and development of related products, seeking cooperation and products through domestic and foreign, and constantly self-improvement, in response to market demand and future development.

**B. Regulatory environment**

Our company regularly reviews changes in laws and regulations and complies with the requirements of the competent authorities and upholds the concept of upright management. As a whole, changes in the regulatory environment will have no great impact on our company.

**C. Macroeconomic conditions**

As we move into 2024, “This quarter’s SEMI World Fab Forecast update offers our first look ahead to 2024, highlighting the steady global expansion of fab capacity to support future semiconductor industry growth driven by the automotive and computing segments and a host of emerging applications,” said Ajit Manocha, SEMI president and CEO. In the short term, we expect the world to remain uncertain, with inflation remains high, ongoing wars in various parts of the world, and the political situation in China could undermine the investment mood, which may dampen the investment climate. However, governments worldwide are now much more aware of the importance of local manufacturing due to geopolitical events, and the future growth momentum of the semiconductor market will rely on stimulation from emerging applications such as new information services, energy conservation, environmental protection, and technological integration. Particularly, AI, new energy sources, and smart networks will serve as major growth drivers. Chip manufacturers continue to expand their production capacities. The SEMI has released its latest quarterly Global Fab Forecast report, projecting a decline in global fab equipment spending to \$76 billion in 2023, followed by a rebound to \$92 billion in 2024. Looking ahead to 2024, Taiwan is expected to maintain its position as the global leader in fab equipment spending.

**Important production and sales policies**

In recent years, our company has continuously researched and developed high-tech industrial process equipment and the surrounding pipeline engineering design and overall system to provide customers with competitive customized equipment and services. In addition to working in Mainland China for many years, and in response to the increasing localization of production awareness in Northeast Asia and the rise of countries in Southeast Asia, we are actively expanding our overseas markets.

Production and sales policies will keep bringing out advantages and grasp current opportunities, we will continue to meet customers’ needs to consolidate existing customers and develop new customers in order to maintain steady growth in company business and profitability. As a production, we continue to strengthen our design capabilities, and on the premise of ensuring the production of high-quality equipment, we have expanded equipment manufacturing capacity in mainland China and steadily move forward.

**Corporate Social Responsibility**

"Happy employees, satisfied customers, and sustainable environment" is the goal and responsibility of Nova Technology. Adhering to the goal is to start from the surrounding stakeholders, create team benefits, and create a sustainable Nova Technology. The customer's attempt is our mission, to reach goal is the spirit of Nova Technology, satisfying customers and applying core skills as well as adding the environmental protection elements to customer needs, reducing the environmental impact of the production process, and pursuing win-win symbiosis.

In addition, "Sincerity, Trustworthy, Simple, Steady" has always been the consistent corporate culture of Nova Technology to pursuit of sustainable management. We know that the sustainable development of the company is maintained by good communication and interaction with all stakeholders. We also hope to gradually integrate corporate social responsibility into daily operations and corporate behavior, so that every member of our company will feedback to society

and be friendly to the environment. In terms of talent cultivation, we cooperate with institutes to provide students with opportunities to enter the industry. At the same time, we will promote the mentoring system, new employee orientation, promote the elite school, and create a growth stage.

Nova Technology implements the government's promotion of work safety and health management, requesting each project to be based on standard operating mode, ensuring the safety management of the site's work, and promoting notices. We strictly request the safety equipment and protection to be checked from time to time during the construction process to ensure that all executives successfully complete the project and return home safely.

All the personnel of Nova Technology uphold the company's "Tomorrow to be Better" concept and continue to overcome difficulties. We hope to provide customers with satisfactory services and the greatest benefit for shareholders with excellent products, better solutions and quality.

Sincerely,

Chairman: Chin-Li Liang

President: Wei Ma

Financial and Accounting Manager: Chun-Yen Ou



## Independent Auditors' Report

To the Board of Directors of Nova Technology Corporation:

### Opinion

We have audited the consolidated financial statements of Nova Technology Corporation (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

Recognition of construction contract revenue (including estimated total budget cost)

Please refer to Note 4(15) “Revenue (Revenue from contract with customers)”, Note 5 “Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty”, and Note 6(20) “Revenue from

contracts with customers” to the consolidated financial statements.

#### Description of key audit matter:

The Group recognized its revenue by the completion level. The completion level is based on the cost for each contract at year-end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as the key matters of our audit.

#### How the matter was addressed in our audit:

Our principal audit procedures included: testing the Group’s internal control of sales and receipt cycle to assess whether there are any defects and irregularities of internal control systems; reviewing major contracts to understand the specific terms and risks of contracts; comparing the actual construction costs and the estimated construction costs to evaluate rationality of the estimation method used; and assessing whether the Group’s accounting policy on revenue recognition is in accordance with the related accounting standards.

#### Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

#### **Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chien-Hui Lu and Cheng-Hsueh Chen.

KPMG

Taipei, Taiwan (Republic of China)  
February 20, 2024

**Notes to Readers**

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

**Nova Technology Corporation and subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2023 and 2022**

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

		<u>December 31, 2023</u>		<u>December 31, 2022</u>				<u>December 31, 2023</u>		<u>December 31, 2022</u>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and Equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 2,424,639	23	2,893,211	32	2100	Short-term borrowings (note 6(11))	\$ 440,595	4	213,159	2
1110	Current financial assets at fair value through profit or loss (notes 6(2) and (12))	41,713	-	49,323	1	2150	Notes payable	24,957	-	37,685	-
1150	Notes receivable, net (note 6(4))	37,697	-	99,648	1	2170	Accounts payable	1,733,975	17	1,854,061	20
1170	Accounts receivable, net (note 6(4))	1,803,497	17	1,969,065	22	2130	Current contract liabilities (notes 6(20) and 7)	1,599,927	15	1,494,848	16
1180	Accounts receivable due from related parties, net (notes 6(4) and 7)	75,627	1	4,173	-	2201	Salaries and bonus payable	381,443	4	355,294	4
1140	Current contract assets (notes 6(20) and 7)	2,033,494	20	1,705,126	19	2216	Dividends payable	252,395	2	135,712	2
1210	Other receivables due from related parties, net (note 7)	185	-	167	-	2250	Provision-current (note 6(14))	98,964	1	94,040	1
1310	Inventories, net (note 6(5))	2,126,457	21	1,199,061	13	2280	Current lease liabilities (notes 6(13) and 7)	45,880	1	47,970	1
1421	Prepayments to suppliers	300,249	3	226,370	2	2399	Other current liabilities	<u>431,249</u>	<u>4</u>	<u>290,432</u>	<u>3</u>
1476	Other current financial assets (notes 6(6) and 8)	439,761	4	183,283	2			<u>5,009,385</u>	<u>48</u>	<u>4,523,201</u>	<u>49</u>
1479	Other current assets	<u>101,527</u>	<u>1</u>	<u>29,641</u>	<u>-</u>		<b>Non-Current liabilities:</b>				
		<u>9,384,846</u>	<u>90</u>	<u>8,359,068</u>	<u>92</u>	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (12))	-	-	1,840	-
<b>Non-current assets:</b>						2530	Bonds payable (note 6(12))	315,115	3	754,707	8
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	340,842	3	186,364	2	2570	Deferred tax liabilities (note 6(16))	171,888	2	331,014	4
1600	Property, plant, and equipment (note 6(8))	395,297	4	362,947	4	2580	Non-current lease liabilities (notes 6(13) and 7)	60,206	1	69,997	1
1755	Right-of-use assets (notes 6(9) and 7)	104,311	1	116,833	1	2640	Net defined benefit liability, non-current (note 6(15))	<u>28,135</u>	<u>-</u>	<u>34,715</u>	<u>-</u>
1780	Intangible assets (note 6(10))	55,934	1	72,400	1			<u>575,344</u>	<u>6</u>	<u>1,192,273</u>	<u>13</u>
1840	Deferred tax assets (note 6(16))	70,851	1	37,823	-		<b>Total liabilities</b>	<u>5,584,729</u>	<u>54</u>	<u>5,715,474</u>	<u>62</u>
1990	Other non-current assets (note 6(4))	<u>19,452</u>	<u>-</u>	<u>20,527</u>	<u>-</u>		<b>Equity (note 6(17)):</b>				
		<u>986,687</u>	<u>10</u>	<u>796,894</u>	<u>8</u>		Equity attributable to owners of parent:				
						3100	Ordinary share capital	358,897	4	339,280	4
						3140	Advance receipts for share capital	9,093	-	-	-
						3200	Capital surplus	1,392,651	13	912,959	10
						3300	Retained earnings	2,089,769	20	1,735,727	19
						3400	Other equity interest	<u>79,331</u>	<u>1</u>	<u>(47,218)</u>	<u>-</u>
							<b>Total equity attributable to owners of parent:</b>	<u>3,929,741</u>	<u>38</u>	<u>2,940,748</u>	<u>33</u>
						36XX	Non-controlling interests (note 6(7))	<u>857,063</u>	<u>8</u>	<u>499,740</u>	<u>5</u>
							<b>Total equity</b>	<u>4,786,804</u>	<u>46</u>	<u>3,440,488</u>	<u>38</u>
<b>Total assets</b>		<b>\$ 10,371,533</b>	<b>100</b>	<b>9,155,962</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 10,371,533</b>	<b>100</b>	<b>9,155,962</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

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

**Nova Technology Corporation and subsidiaries**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		<b>For the years ended December 31,</b>			
		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net Operating revenue</b> (notes 6(20) and 7)	\$ 9,139,994	100	8,592,983	100
5000	<b>Operating costs</b> (notes 6(5), (13), (15), (22) and 7)	6,815,037	75	6,670,533	78
	<b>Gross profit</b>	2,324,957	25	1,922,450	22
	<b>Operating expenses</b> (notes 6(4), (13), (15), (22) and 7):				
6100	Selling expenses	193,576	2	137,535	2
6200	Administrative expenses	413,912	4	359,737	4
6300	Research and development expenses	253,289	3	212,421	2
6450	Expected credit impairment loss (gain)	(13,131)	-	30,217	-
		847,646	9	739,910	8
	<b>Net operating income</b>	1,477,311	16	1,182,540	14
	<b>Non-operating income and expenses:</b>				
7100	Interest income (note 6(21))	38,195	-	14,343	-
7020	Other gains and losses, net (note 6(21))	79,108	1	94,681	1
7050	Finance costs (notes 6(11), (12), (13) and (21))	(26,070)	-	(5,336)	-
		91,233	1	103,688	1
7900	<b>Income before income tax</b>	1,568,544	17	1,286,228	15
7950	Less: income tax expenses (note 6(16))	414,912	5	330,671	4
	<b>Net Income</b>	1,153,632	12	955,557	11
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(15))	5,412	-	2,276	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	154,478	2	7,201	-
8349	Income tax related to items that will not be reclassified subsequently	-	-	-	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	159,890	2	9,477	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(31,064)	-	26,424	-
8399	Income tax related to items that may be reclassified subsequently (note 6(16))	6,461	-	(5,285)	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	(24,603)	-	21,139	-
8300	<b>Other comprehensive income (loss)</b>	135,287	2	30,616	-
	<b>Comprehensive income</b>	<u>\$ 1,288,919</u>	<u>14</u>	<u>986,173</u>	<u>11</u>
	<b>Profit, attributable to:</b>				
	Owners of parent	\$ 1,042,089	11	796,566	9
	Non-controlling interests	111,543	1	158,991	2
		<u>\$ 1,153,632</u>	<u>12</u>	<u>955,557</u>	<u>11</u>
	<b>Comprehensive income attributable to:</b>				
	Owners of parent	\$ 1,177,376	13	827,182	9
	Non-controlling interests	111,543	1	158,991	2
		<u>\$ 1,288,919</u>	<u>14</u>	<u>986,173</u>	<u>11</u>
	<b>Earnings per share</b> (New Taiwan Dollars) (note 6(19))				
9750	Basic earnings per share	<u>\$ 14.95</u>		<u>11.74</u>	
9850	Diluted earnings per share	<u>\$ 13.53</u>		<u>11.52</u>	

See accompanying notes to consolidated financial statements.

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

**Nova Technology Corporation and subsidiaries**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

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

	Ordinary share capital	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Retained earnings		Exchange differences on translation of foreign financial statements	Other equity interest Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controll ing interests	Total equity
						Unappropriate d retained earnings	Total					
<b>Balance at January 1, 2022</b>	\$ 339,280	-	866,545	317,213	68,147	1,094,373	1,479,733	(75,558)	-	2,610,000	391,874	3,001,874
Net income for the period	-	-	-	-	-	796,566	796,566	-	-	796,566	158,991	955,557
Other comprehensive income for the period	-	-	-	-	-	2,276	2,276	21,139	7,201	30,616	-	30,616
Total comprehensive income for the period	-	-	-	-	-	798,842	798,842	21,139	7,201	827,182	158,991	986,173
Appropriation and distribution of retained earnings:												
Appropriation for legal reserve	-	-	-	56,063	-	(56,063)	-	-	-	-	-	-
Appropriation for special reserve	-	-	-	-	7,411	(7,411)	-	-	-	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	-	(542,848)	(542,848)	-	-	(542,848)	-	(542,848)
Due to recognition of equity component of convertible bonds (preferred share) issued	-	-	46,414	-	-	-	-	-	-	46,414	-	46,414
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(51,125)	(51,125)
<b>Balance at December 31, 2022</b>	339,280	-	912,959	373,276	75,558	1,286,893	1,735,727	(54,419)	7,201	2,940,748	499,740	3,440,488
Net income for the period	-	-	-	-	-	1,042,089	1,042,089	-	-	1,042,089	111,543	1,153,632
Other comprehensive income for the period	-	-	-	-	-	5,412	5,412	(27,929)	154,478	131,961	-	131,961
Total comprehensive income	-	-	-	-	-	1,047,501	1,047,501	(27,929)	154,478	1,174,050	111,543	1,285,593
Appropriation and distribution of retained earnings:												
Appropriation for legal reserve	-	-	-	125,558	-	(125,558)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(75,558)	75,558	-	-	-	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	-	(693,459)	(693,459)	-	-	(693,459)	-	(693,459)
Conversion of convertible bonds	19,617	9,093	422,973	-	-	-	-	-	-	451,683	-	451,683
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	9,563	-	-	-	-	-	-	9,563	32,008	41,571
Effect of recognized in disproportion shareholding	-	-	37,697	-	-	-	-	-	-	37,697	(37,697)	-
Share-based payment transactions	-	-	9,459	-	-	-	-	-	-	9,459	8,998	18,457
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	242,471	242,471
<b>Balance at December 31, 2023</b>	<u>\$ 358,897</u>	<u>9,093</u>	<u>1,392,651</u>	<u>498,834</u>	<u>-</u>	<u>1,590,935</u>	<u>2,089,769</u>	<u>(82,348)</u>	<u>161,679</u>	<u>3,929,741</u>	<u>857,063</u>	<u>4,786,804</u>

See accompanying notes to consolidated financial statements.

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

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 1,568,544	1,286,228
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	85,644	62,305
Amortization expense	31,014	28,862
Expected credit loss (gain)	(13,131)	30,217
Net loss on financial assets at fair value through profit or loss	(3,470)	7,665
Interest expense	26,070	5,336
Provision for inventory devaluation loss	33,078	6,652
Interest income	(38,195)	(14,343)
Dividend income	(17,996)	(12,112)
Compensation cost of share-based payment transactions	18,457	-
Others	(1,645)	1,722
<b>Total adjustments to reconcile profit</b>	<b>119,826</b>	<b>116,304</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Notes and accounts receivable	241,533	120,954
Accounts receivable due from related parties	(71,454)	2,982
Other receivable due from related parties	(18)	(6)
Contract assets	(328,368)	(240,943)
Inventories	(959,879)	(801,329)
Decrease in other operating assets	(358,222)	(79,970)
<b>Total changes in operating assets</b>	<b>(1,476,408)</b>	<b>(998,312)</b>
Changes in operating liabilities:		
Notes and accounts payable	(132,814)	247,285
Accounts payable to related parties	-	(22)
Contract liabilities	105,079	579,058
Accrued expenses and other current liabilities	(14,074)	167,468
<b>Total changes in operating liabilities</b>	<b>(41,809)</b>	<b>993,789</b>
<b>Total adjustments</b>	<b>(1,398,391)</b>	<b>111,781</b>
Cash flows generated from operations	170,153	1,398,009
Interest received	34,318	15,527
Dividends received	17,996	12,112
Interest paid	(13,764)	(5,211)
Income taxes paid	(410,900)	(229,467)
<b>Net cash flows from (used in) operating activities</b>	<b>(202,197)</b>	<b>1,190,970</b>

(Continued)

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**Nova Technology Corporation and subsidiaries**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(179,163)
Acquisition of financial assets at fair value through profit or loss	-	(2,779)
Proceeds from disposal of financial assets at fair value through profit or loss	9,240	20,172
Acquisition of property, plant and equipment	(64,660)	(134,010)
Acquisition of intangible assets	(14,747)	(14,136)
Decrease (increase) in other financial assets—current	(40,144)	32,659
Increase in other non—current assets	1,075	(15,389)
<b>Net cash flows used in investing activities</b>	<b>(109,236)</b>	<b>(292,646)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	235,932	33,864
Issuance of corporate bonds	-	802,721
Payment of lease liabilities	(54,581)	(37,443)
Cash dividends paid	(576,776)	(407,136)
Change in non-controlling interests	284,470	(51,125)
<b>Net cash flows from (used in) financing activities</b>	<b>(110,955)</b>	<b>340,881</b>
<b>Effect of exchange rate changes</b>	<b>(46,184)</b>	<b>22,568</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(468,572)</b>	<b>1,261,773</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,893,211</b>	<b>1,631,438</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,424,639</b>	<b>2,893,211</b>

See accompanying notes to consolidated financial statements.

## **Independent Auditors' Report**

To the Board of Directors of Nova Technology Corporation:

### **Opinion**

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

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

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the Parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

Recognition of construction contract revenue (including estimated total budget cost)

Please refer to Note 4(15) "Revenue (Revenue from contract with customers)", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(18) "Revenue from contracts with customers" to the parent company only financial statements.

Description of key audit matter:

The Company recognized its revenue by using the percentage of completion method. The completion level is based on the cost for each contract at year end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as the key matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: testing the Company's internal control of sales and receipt cycle to assess whether there are any defects and irregularities of internal control systems; reviewing major contracts to

understand the specific terms and risks of contracts; comparing the actual construction costs and the estimated construction costs to evaluate rationality of the estimation method used; and assessing whether the Company's accounting policy on revenue recognition is in accordance with the related accounting standards.

### **Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Parent company only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chien-Hui Lu and Cheng-Hsueh Chen.

KPMG

Taipei, Taiwan (Republic of China)  
February 20, 2024

#### **Notes to Readers**

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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

**Nova Technology Corporation**

**Balance Sheets**

**December 31, 2023 and 2022**

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

		<u>December 31, 2023</u>		<u>December 31, 2022</u>				<u>December 31, 2023</u>		<u>December 31, 2022</u>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and Equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 715,689	13	1,481,125	27	2150	Notes payable	\$ 24,957	-	37,685	1
1110	Current financial assets at fair value through profit or loss (notes 6(2) and (11))	41,713	1	49,323	1	2170	Accounts payable	390,420	7	619,950	11
1150	Notes receivable, net (note 6(4))	105	-	-	-	2180	Accounts payable to related parties (note 7)	-	-	1,733	-
1170	Accounts receivable, net (note 6(4))	304,334	5	423,308	8	2130	Current contract liabilities (notes 6(18) and 7)	184,626	3	514,086	9
1180	Accounts receivable due from related parties, net (notes 6(4) and 7)	76,272	1	12,458	-	2201	Salaries and bonus payable	151,204	3	124,874	2
1140	Current contract assets (notes 6(18) and 7)	517,651	9	536,595	10	2216	Dividends payable	252,395	5	135,712	2
1210	Other receivables due from related parties, net (note 7)	350,276	6	-	-	2250	Provision-current (note 6(13))	13,348	-	26,854	-
1310	Inventories, net (note 6(5))	204,171	4	164,589	3	2280	Current lease liabilities (note 6(12))	5,903	-	7,261	-
1421	Prepayments to suppliers	37,958	1	59,286	1	2399	Other current liabilities	<u>234,195</u>	<u>4</u>	<u>33,220</u>	<u>1</u>
1476	Other current financial assets (note 6(6))	47,454	1	2,547	-			<u>1,257,048</u>	<u>22</u>	<u>1,501,375</u>	<u>26</u>
1479	Other current assets	<u>3,483</u>	<u>-</u>	<u>8,932</u>	<u>-</u>		<b>Non-Current liabilities:</b>				
		<u>2,299,106</u>	<u>41</u>	<u>2,738,163</u>	<u>50</u>	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (11))	-	-	1,840	-
<b>Non-current assets:</b>						2530	Bonds payable (note 6(11))	315,115	6	754,707	14
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	340,842	6	186,364	3	2570	Deferred tax liabilities (note 6(15))	164,294	3	329,388	6
1550	Investments accounted for using the equity method (note 6(7))	2,926,306	51	2,533,297	45	2580	Non-current lease liabilities (note 6(12))	4,113	-	6,105	-
1600	Property, plant, and equipment (note 6(8))	64,520	1	66,222	1	2640	Net defined benefit liability, non-current (note 6(14))	<u>28,135</u>	<u>-</u>	<u>34,715</u>	<u>1</u>
1755	Right-of-use assets (note 6(9))	9,950	-	13,291	-			<u>511,657</u>	<u>9</u>	<u>1,126,755</u>	<u>21</u>
1840	Deferred tax assets (note 6(15))	53,080	1	28,716	1		<b>Total liabilities</b>	<u>1,768,705</u>	<u>31</u>	<u>2,628,130</u>	<u>47</u>
1990	Other non-current assets (note 6(4))	<u>4,642</u>	<u>-</u>	<u>2,825</u>	<u>-</u>		<b>Equity (note 6(16)):</b>				
		<u>3,399,340</u>	<u>59</u>	<u>2,830,715</u>	<u>50</u>	3100	Ordinary share capital	358,897	7	339,280	6
						3140	Advance receipts for share capital	9,093	-	-	-
						3200	Capital surplus	1,392,651	24	912,959	17
						3300	Retained earnings	2,089,769	37	1,735,727	31
						3400	Other equity interest	<u>79,331</u>	<u>1</u>	<u>(47,218)</u>	<u>(1)</u>
							<b>Total equity</b>	<u>3,929,741</u>	<u>69</u>	<u>2,940,748</u>	<u>53</u>
<b>Total assets</b>		<b><u>\$ 5,698,446</u></b>	<b><u>100</u></b>	<b><u>5,568,878</u></b>	<b><u>100</u></b>		<b>Total liabilities and equity</b>	<b><u>\$ 5,698,446</u></b>	<b><u>100</u></b>	<b><u>5,568,878</u></b>	<b><u>100</u></b>

See accompanying notes to parent company only financial statements.

## Nova Technology Corporation

## Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the years ended December 31,			
		2023		2022	
		Amount	%	Amount	%
4000	<b>Net Operating revenue</b> (notes 6(18) and 7)	\$ 2,028,147	100	2,110,347	100
5000	<b>Operating costs</b> (notes 6(5), (14) and 7)	1,533,410	76	1,743,753	83
	<b>Gross profit</b>	494,737	24	366,594	17
	<b>Operating expenses</b> (notes 6(4), (12), (14), (20) and 7):				
6100	Selling expenses	7,509	-	6,109	-
6200	Administrative expenses	175,128	9	158,162	7
6300	Research and development expenses	465	-	-	-
6450	Expected credit impairment loss (gain)	(1)	-	(58)	-
		183,101	9	164,213	7
	<b>Net operating income</b>	311,636	15	202,381	10
	<b>Non-operating income and expenses:</b>				
7100	Interest income (note 6(19))	22,183	1	1,914	-
7020	Other gains and losses, net (note 6(19))	27,385	1	33,539	1
7050	Finance costs (notes 6(12) and (19))	(13,580)	-	(2,911)	-
7070	Share of profit of equity-accounted investees (note 6(7))	911,668	45	715,831	34
		947,656	47	748,373	35
7900	<b>Income before income tax</b>	1,259,292	62	950,754	45
7950	Less: income tax expenses (note 6(15))	217,203	11	154,188	7
	<b>Net Income</b>	1,042,089	51	796,566	38
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(14))	5,412	-	2,276	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	154,478	8	7,201	-
8349	Income tax related to items that will not be reclassified subsequently	-	-	-	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	159,890	8	9,477	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(34,390)	(2)	26,424	1
8399	Income tax related to items that may be reclassified subsequently (note 6(15))	6,461	-	(5,285)	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	(27,929)	(2)	21,139	1
8300	<b>Other comprehensive income (loss)</b>	131,961	6	30,616	1
	<b>Comprehensive income</b>	<u>\$ 1,174,050</u>	<u>57</u>	<u>827,182</u>	<u>39</u>
	<b>Earnings per share</b> (New Taiwan Dollars) (note 6(17))				
9750	Basic earnings per share	<u>\$ 14.95</u>		<u>11.74</u>	
9850	Diluted earnings per share	<u>\$ 13.53</u>		<u>11.52</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent company only Financial Statements and Report Originally Issued in Chinese)

Nova Technology Corporation

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share capital	Capital collected in advance	Capital surplus	Retained earnings			Total	Other equity interest		Total equity
				Legal reserve	Special reserve	Unappropria ted retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
<b>Balance at January 1, 2022</b>	<u>\$ 339,280</u>	<u>-</u>	<u>866,545</u>	<u>317,213</u>	<u>68,147</u>	<u>1,094,373</u>	<u>1,479,733</u>	<u>(75,558)</u>	<u>-</u>	<u>2,610,000</u>
Net income for the period	-	-	-	-	-	796,566	796,566	-	-	796,566
Other comprehensive income for the period	-	-	-	-	-	2,276	2,276	21,139	7,201	30,616
Total comprehensive income for the period	-	-	-	-	-	798,842	798,842	21,139	7,201	827,182
Appropriation and distribution of retained earnings:										
Appropriation for legal reserve	-	-	-	56,063	-	(56,063)	-	-	-	-
Appropriation for special reserve	-	-	-	-	7,411	(7,411)	-	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	-	(542,848)	(542,848)	-	-	(542,848)
Due to recognition of equity component of convertible bonds (preference share) issued	-	-	46,414	-	-	-	-	-	-	46,414
<b>Balance at December 31, 2022</b>	<u>339,280</u>	<u>-</u>	<u>912,959</u>	<u>373,276</u>	<u>75,558</u>	<u>1,286,893</u>	<u>1,735,727</u>	<u>(54,419)</u>	<u>7,201</u>	<u>2,940,748</u>
Net income for the period	-	-	-	-	-	1,042,089	1,042,089	-	-	1,042,089
Other comprehensive income for the period	-	-	-	-	-	5,412	5,412	(27,929)	154,478	131,961
Total comprehensive income	-	-	-	-	-	1,047,501	1,047,501	(27,929)	154,478	1,174,050
Appropriation and distribution of retained earnings:										
Appropriation for legal reserve	-	-	-	125,558	-	(125,558)	-	-	-	-
Reversal of special reserve	-	-	-	-	(75,558)	75,558	-	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	-	(693,459)	(693,459)	-	-	(693,459)
Conversion of convertible bonds	19,617	9,093	422,973	-	-	-	-	-	-	451,683
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	9,563	-	-	-	-	-	-	9,563
Effect of recognized in disproportion shareholding	-	-	37,697	-	-	-	-	-	-	37,697
Share-based payment transactions	-	-	9,459	-	-	-	-	-	-	9,459
<b>Balance at December 31, 2023</b>	<u>\$ 358,897</u>	<u>9,093</u>	<u>1,392,651</u>	<u>498,834</u>	<u>-</u>	<u>1,590,935</u>	<u>2,089,769</u>	<u>(82,348)</u>	<u>161,679</u>	<u>3,929,741</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent company only Financial Statements and Report Originally Issued in Chinese)

**Nova Technology Corporation**  
**Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 1,259,292	950,754
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	10,489	8,886
Expected credit loss (gain)	(1)	(58)
Net loss on financial assets at fair value through profit or loss	(3,470)	7,672
Interest expense	13,580	2,911
Provision for inventory devaluation loss	9,817	222
Interest income	(22,183)	(1,914)
Dividend income	(17,996)	(12,112)
Share of profit of associates accounted for using the equity method	(911,668)	(715,831)
Others	(722)	44
<b>Total adjustments to reconcile profit</b>	<b>(922,154)</b>	<b>(710,180)</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Notes and accounts receivable	118,870	152,903
Accounts receivable due from related parties	(63,814)	(4,997)
Contract assets	18,944	(47,540)
Inventories	(49,399)	(116,551)
Other operating assets	17,710	4,166
<b>Total changes in operating assets</b>	<b>42,311</b>	<b>(12,019)</b>
<b>Changes in operating liabilities:</b>		
Notes and accounts payable	(242,258)	163,917
Accounts payable to related parties	(1,733)	(20,306)
Contract liabilities	(329,460)	431,489
Accrued expenses and other current liabilities	25,240	35,888
<b>Total changes in operating liabilities</b>	<b>(548,211)</b>	<b>610,988</b>
<b>Total adjustments</b>	<b>(1,428,054)</b>	<b>(111,211)</b>
Cash flows generated from operations	(168,762)	839,543
Interest received	17,223	1,716
Dividends received	17,996	12,112
Interest paid	(1,488)	(2,920)
Income taxes paid	(211,642)	(123,287)
<b>Net cash flows from (used in) operating activities</b>	<b>(346,673)</b>	<b>727,164</b>

(Continued)

See accompanying notes to parent company only financial statements.



(English Translation of Parent company only Financial Statements and Report Originally Issued in Chinese)

**Nova Technology Corporation**  
**Statements of Cash Flows (Continued)**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(179,163)
Acquisition of financial assets at fair value through profit or loss	-	(2,779)
Proceeds from disposal of financial assets at fair value through profit or loss	9,240	-
Acquisition of investments accounted for using the equity method	(199,330)	-
Proceeds from disposal of investments accounted for using the equity method	101,576	-
Acquisition of property, plant and equipment	(882)	(4,809)
Dividends received	638,742	284,235
Other accounts receivable to related parties	(350,276)	-
Decrease (increase) in other financial assets—current	(30,880)	-
Increase in other non—current assets	(2,269)	(1,638)
<b>Net cash flows used in investing activities</b>	<b>165,921</b>	<b>95,846</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	-	(180,000)
Issuance of corporate bonds	-	802,721
Payment of lease liabilities	(7,908)	(6,747)
Cash dividends paid	(576,776)	(407,136)
<b>Net cash flows from (used in) financing activities</b>	<b>(584,684)</b>	<b>208,838</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(765,436)</b>	<b>1,031,848</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,481,125</b>	<b>449,277</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 715,689</b>	<b>1,481,125</b>

See accompanying notes to parent company only financial statements.



朋億股份有限公司  
NOVA TECHNOLOGY CORP.

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

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements (included consolidated and individual), and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Nova Technology Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business report, Financial Statements, and each half year profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit committee members of Nova Technology Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

**NOVA TECHNOLOGY CORPORATION**

Chairman of the Audit Committee: Hui-Yin Chiu

A handwritten signature in black ink, appearing to read 'Hui-Yin Chiu', written over a horizontal line.

February 20, 2024

## Nova Technology Corp. Collection of 2023 Remuneration to the Directors.

Unit: NT\$ Thousand, %

Title	Name	Remuneration to Directors								Ratio of Total Remuneration		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Remuneration from ventures other than subsidiaries or from the parent company
		Remunerations (A)		Retirement allowance (B)		Bonus to Directors (C)		Business execution expenses (D)		(A+B+C+D) to Net Income		Salary, Bonuses, and Allowances (E)		Retirement allowance (F)		Profit Sharing- Employee Bonus (G)				The company	All companies in the consolidated financial statements	
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies listed on the financial statement				
																Cash	Stock	Cash	Stock			
Chairman	Acter Group Corporation Limited (Representative: Chin-Li Liang)	0	0	0	0	27,082	28,735	1,056	1,116	28,318 2.72%	30,071 2.89%	0	0	0	0	0	0	0	0	37,889 3.64%	41,640 4.00%	61,710
Director	Acter Group Corporation Limited (Representative: Chung-Cheng Hsu)	0	0	0	0			36	36			908	2,906	0	0	0	0	0	0			672
Director	Acter Group Corporation Limited (Representative: Bi-Hui Wu)	0	0	0	0			96	96			0	0	0	0	0	0	0	0			672
Director	Acter Group Corporation Limited (Representative: Wei Ma)	0	0	0	0			48	88			5,229	5,229	0	0	3,434	0	3,434	0			100
Independent Director	Chih-Yi Chi	960	960	0	0	0	0	96	96	1,056 0.10%	1,056 0.10%	0	0	0	0	0	0	0	0	1,056 0.10%	1,056 0.10%	None
Independent Director	Sheng-Yung Yang	960	960	0	0	0	0	96	96	1,056 0.10%	1,056 0.10%	0	0	0	0	0	0	0	0	1,056 0.10%	1,056 0.10%	None
Independent Director	Cheng Li	960	960	0	0	0	0	96	96	1,056 0.10%	1,056 0.10%	0	0	0	0	0	0	0	0	1,056 0.10%	1,056 0.10%	None
Independent Director	Hui-Yin Chiu	960	960	0	0	0	0	96	96	1,056 0.10%	1,056 0.10%	0	0	0	0	0	0	0	0	1,056 0.10%	1,056 0.10%	None

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Remuneration for Independent directors shall be determined according to the company's "Regulations Governing Remuneration Paid to Directors and Functional Committee." Remuneration for independent directors includes fixed fee, transportation and attendance fee per meeting. If an independent director is appointed as a member of any functional committee by the board of directors of the company, he/she will receive additional remuneration.

2. In addition to the disclosure of the table above, there are remunerations to the directors provided service (e.g. serve as consultants to the parent company/to all companies listed in the financial reports/ independent consultant rather than employee, etc.) in the most recent year for all companies : None

### Reduction of Shareholding in the Subsidiary, Rayzher Industrial Co., Ltd.

Item	1	2	3
Purpose of stock release	In the first capital increase of 2023, Rayzher issued 74 million shares, setting aside 14.86% for employee subscription, with the company subscribing based on its shareholding ratio.	Considering the operational development needs of the group, we are divesting a portion of our holdings to outstanding employees of the company and related enterprises.	In the second capital increase of 2023, Rayzher issued 11 million shares, setting aside 10% for employee subscription. Our company is relinquishing the subscription for the newly issued shares in accordance with Rayzher application for OTC registration.
Issue/transfer price	NTD\$60	NTD\$60	NTD\$105
Approved by the Audit Committee on:	—	2023/8/29	2023/8/29
Approved by the Board on:	—	2023/8/29	2023/8/29
Equity transferee	None	The company employees and related enterprises.	KGI Securities Co., Ltd.
Transfer /Divestment of shares	None	700,000 shares	467,669 shares
The Company's shareholding ratio before transfer /divestment	51.31%	49.53%	47.24%
The Company's shareholding ratio after transfer /divestment	49.53%	47.24% °	45.59%
Evaluation basis for transfer /divestment Price	The subscription price for the capital increase, as determined by the board of directors of Rayzher.	The subscription price for the first cash capital increase of Rayzher in the 2023 serves as the reference stock price.	The subscription price for the capital increase, as determined by the board of directors of Rayzher.
Effect on the equity of existing Company shareholders	Does not damage existing shareholder equity	Does not damage existing shareholder equity	Does not damage existing shareholder equity

### Comparison Table of the Procedure for Acquisition or Disposal of Assets

Article	After revision	Before revision
6.3.1	For the purpose of the operation, the <u>investment in subsidiaries and</u> transfer of equity shall be subject to equity disposal. If the amount of each transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, it shall be submitted to the Board of Directors, if not more than 20 percent of the company's paid-in capital or NT\$300 million, authorized by the chairman to approve and reported to the nearest Board of Directors for review.	For the purpose of the operation, the transfer of equity shall be subject to equity disposal. If the amount of each transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, it shall be submitted to the Board of Directors, if not more than 20 percent of the company's paid-in capital or NT\$300 million, authorized by the chairman to approve and reported to the nearest Board of Directors for review.
15	The Company has directly or indirectly waived the capital increase of <del>Winmax Technology Corp. (hereinafter referred to as Winmax Company)</del> and Suzhou Winmax Technology Corp. (hereinafter referred to as Suzhou Winmax Company) in each year, either directly or indirectly. If <del>Winmax Company and Suzhou Winmax Company</del> hold shares, <u>and Suzhou Winmax Company has directly or indirectly waived the capital increase of Winmax Technology Corp. (hereinafter referred to as Winmax Company).</u> the company will lose its substantive control over <del>Winmax Company and Suzhou Winmax Company</del> <u>and Winmax Company</u> , and it must first pass a special resolution of the board of directors of the company, and independent directors should attend and express their opinions. The contents of the resolution and the amendments to this article should be opened and public information should be entered into the major observing station information to be disclosed and a letter to the counter buying center for future reference.	The Company has directly or indirectly waived the capital increase of Winmax Technology Corp. (hereinafter referred to as Winmax Company) and Suzhou Winmax Technology Corp. (hereinafter referred to as Suzhou Winmax Company) in each year, either directly or indirectly. If Winmax Company and Suzhou Winmax Company hold shares, the company will lose its substantive control over Winmax Company and Suzhou Winmax Company, and it must first pass a special resolution of the board of directors of the company, and independent directors should attend and express their opinions. The contents of the resolution and the amendments to this article should be opened and public information should be entered into the major observing station information to be disclosed and a letter to the counter buying center for future reference.

### Comparison Table of the Rules of Procedure for Shareholder Meetings

Article	After revision	Before revision
4	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p>(1) Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>(2) <u>Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene 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.</u></p> <p><del>(2)</del>-(3) 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.</p> <p><del>(3)</del>-(4) 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 and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or</p>	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p>(1) Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>(2) 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.</p> <p>(3) 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 and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated.</p> <p>(4) The Company shall make the meeting agenda and supplemental meeting</p>

Article	After revision	Before revision
	<p>before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated.</p> <p><del>(4)</del>–<del>(5)</del>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</p> <p>A. For physical shareholders meetings, to be distributed on-site at the meeting.</p> <p>B. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</p> <p>C. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</p> <p><del>(5)</del>–<del>(6)</del>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.</p> <p><del>(6)</del>–<del>(7)</del>Election or dismissal of directors, amendments to the articles of incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the</p>	<p>materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</p> <p>A. For physical shareholders meetings, to be distributed on-site at the meeting.</p> <p>B. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</p> <p>C. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</p> <p>(5) 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.</p> <p>(6) Election or dismissal of directors, amendments to the articles of incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons and main reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>(7) If the meeting notice has specified the re-election of directors and the date of inauguration. As the re-election is completed on the shareholders' meeting, such resolution of inauguration date should not be</p>

Article	After revision	Before revision
	<p>Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons and main reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p><del>(7)</del> <u>(8)</u> If the meeting notice has specified the re-election of directors and the date of inauguration. As the re-election is completed on the shareholders' meeting, such resolution of inauguration date should not be changed in the same meeting by an extraordinary motion or other means.</p> <p><del>(8)</del> <u>(9)</u> A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p><del>(9)</del> <u>(10)</u> Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals by written or electronic, 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</p>	<p>changed in the same meeting by an extraordinary motion or other means.</p> <p>(8) A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>(9) Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals by written or electronic, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</p> <p>(10) 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</p>



Article	After revision	Before revision
	<p>are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</p> <p><del>(10)</del>(11)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.</p>	<p>Article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>
7-1	<p>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p style="text-align: center;">:</p> <p>(3)To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. <u>Except as provided in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with access to communication facilities and necessary assistance, and specify the application period and other relevant considerations.</u></p>	<p>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p style="text-align: center;">:</p> <p>(3)To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>
23	<p>(Handling of digital divide)</p> <p>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. <u>Except as provided in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with access to communication facilities and necessary</u></p>	<p>(Handling of digital divide)</p> <p>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p>

Article	After revision	Before revision
	<u>assistance, and specify the application period and other relevant considerations.</u>	