

Stock Code: 6613



# NOVA TECHNOLOGY CORP.

**Handbook for the 2024**

**Annual Meeting of Shareholders**

**(Translation)**

*Notice to readers*

*This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.*

**MEETING TIME:** May 21, 2024

# Table of Contents

<b>A.</b>	<b>Meeting Procedure</b> .....	<b>3</b>
<b>B.</b>	<b>Meeting Agenda</b> .....	<b>4</b>
	1. Report Items .....	6
	2. Proposed Resolutions .....	9
	3. Discussion Items .....	11
	4. Questions and Motions.....	12
	5. Adjournment.....	12
<b>C.</b>	<b>Attachments</b> .....	<b>13</b>
	1. Business Report.....	13
	2. 2023 Independent Auditors' Report and Financial Statements .....	17
	3. Audit Committee's Review Report.....	34
	4. Collection of 2023 Remuneration to the Directors .....	35
	5. Reduction of Shareholding in the Subsidiary, Rayzher Industrial Co., Ltd. ...	36
	6. Comparison Table of the Procedure for Acquisition or Disposal of Assets ....	37
	7. Comparison Table of the Rules of Procedure for Shareholder Meetings .....	38
<b>D.</b>	<b>Appendices</b> .....	<b>43</b>
	1. Procedure for Acquisition or Disposal of Assets < Before the revision>.....	43
	2. Rules of Procedure for Shareholder Meetings< Before the revision> .....	60
	3. Articles of Incorporation .....	71
	4. Shareholding of All Directors .....	78
	5. The other explanation.....	79

## **A. Meeting Procedure**

### **NOVA TECHNOLOGY CORP.**

#### Procedure for the 2024 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Proposed Resolutions
5. Discussion Items
6. Questions and Motions
7. Adjournment

## **B. Meeting Agenda**

# **NOVA TECHNOLOGY CORP.**

## **2024 Annual Shareholders' Meeting Agenda**

(Translation)

**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>)

**Chairman :** Mr. Chin-Li Liang, Chairman of the Board of Directors.

### **1. Call the Meeting to Order**

### **2. Chairman Remarks**

### **3. Report Items**

- (1) To report the business of 2023.
- (2) 2023 Audit Committee's Review Report.
- (3) To report 2023 remuneration to directors and employees' compensation.
- (4) To report the cash dividend distribution of 2023.
- (5) To report the collection of 2023 remuneration to the directors.
- (6) Status of implementation of the 1th domestic unsecured convertible bonds in 2023.
- (7) To report the Reduction of Shareholding in the Subsidiary, Rayzher Industrial Co., Ltd.
- (8) To report waive the participation in cash capital increase of subsidiary Suzhou Winmax Technology Corp.

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

- (1) To approve 2023 Business Report and Financial Statements.
- (2) To approve the proposal for distribution of 2023 profits.

#### **5. Discussion Items**

- (1) To amend the Company's "Procedure for Acquisition or Disposal of Assets".
- (2) To amend the Company's "Rules of Procedure for Shareholder Meetings".
- (3) To release the directors representatives from non-competition restrictions.

#### **6. Questions and Motions**

#### **7. Adjournment**

## 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. (page 13 ~ 33)

**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. (page 34)

**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 (page 35).

**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. (page 36)



**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.

## **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. (page 13 ~ 33)

**Resolution :**

**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.

**Resolution :**

## **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 (page 37).

**Resolution :**

**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 (page 38 ~ 42).

**Resolution :**

**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>

**Resolution :**

## **Questions and Motions**

## **Adjournment**

## 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 an increase in overall revenue. The consolidated operating revenue in 2023 reached NTD 9,140 million, which increased 6.4% compared to last year. In terms of profit, the consolidated net profit after tax of 2023 was NTD 1,042 million, an increase of 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	40.21
		Pre-tax income	39.91	43.74
	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)

Assets	December 31, 2023		December 31, 2022		Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
<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	431,249	4	290,432	3
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	101,527	1	29,641	-	<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))	28,135	-	34,715	-
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))	19,452	-	20,527	-	<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:				
<b>Total assets</b>	<u>\$ 10,371,533</u>	<u>100</u>	<u>9,155,962</u>	<u>100</u>	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	79,331	1	(47,218)	-
					<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))	857,063	8	499,740	5
					<b>Total equity</b>	<u>4,786,804</u>	<u>46</u>	<u>3,440,488</u>	<u>38</u>
					<b>Total liabilities and equity</b>	<u>\$ 10,371,533</u>	<u>100</u>	<u>9,155,962</u>	<u>100</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 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(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	Retained earnings			Total	Exchange differences on translation of foreign financial statements	Other equity interest Unrealized gains (losses) on financial assets measured at fair value through other comprehen- sive income	Total equity attributable to owners of parent	Non-controll- ing interests	Total equity
				Legal reserve	Special reserve	Unappropri- ated retained earnings						
<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 (preference 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>	\$ 358,897	9,093	1,392,651	498,834	-	1,590,935	2,089,769	(82,348)	161,679	3,929,741	857,063	4,786,804

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>		
<b>Income before income tax</b>	\$ 1,568,544	1,286,228
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
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>		
<b>Changes in operating assets:</b>		
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>
<b>Changes in operating liabilities:</b>		
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)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022		
		Amount	%	Amount	%			Amount	%	Amount	%	
<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
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
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
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
1140	Current contract assets (notes 6(18) and 7)		517,651	9	536,595	10	2216	Dividends payable		252,395	5	135,712
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		234,195	4	33,220
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>
1479	Other current assets		3,483	-	8,932	-						<u>26</u>
			<u>2,299,106</u>	<u>41</u>	<u>2,738,163</u>	<u>50</u>						
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))		340,842	6	186,364	3	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (11))		-	-	1,840
1550	Investments accounted for using the equity method (note 6(7))		2,926,306	51	2,533,297	45	2530	Bonds payable (note 6(11))		315,115	6	754,707
1600	Property, plant, and equipment (note 6(8))		64,520	1	66,222	1	2570	Deferred tax liabilities (note 6(15))		164,294	3	329,388
1755	Right-of-use assets (note 6(9))		9,950	-	13,291	-	2580	Non-current lease liabilities (note 6(12))		4,113	-	6,105
1840	Deferred tax assets (note 6(15))		53,080	1	28,716	1	2640	Net defined benefit liability, non-current (note 6(14))		28,135	-	34,715
1990	Other non-current assets (note 6(4))		4,642	-	2,825	-				<u>511,657</u>	<u>9</u>	<u>1,126,755</u>
			<u>3,399,340</u>	<u>59</u>	<u>2,830,715</u>	<u>50</u>				<u>1,768,705</u>	<u>31</u>	<u>2,628,130</u>
								<b>Total liabilities</b>				<u>47</u>
<b>Total assets</b>			<u>\$ 5,698,446</u>	<u>100</u>	<u>5,568,878</u>	<u>100</u>		<b>Equity (note 6(16)):</b>				
							3100	Ordinary share capital		358,897	7	339,280
							3140	Advance receipts for share capital		9,093	-	-
							3200	Capital surplus		1,392,651	24	912,959
							3300	Retained earnings		2,089,769	37	1,735,727
							3400	Other equity interest		79,331	1	(47,218)
								<b>Total equity</b>		<u>3,929,741</u>	<u>69</u>	<u>2,940,748</u>
								<b>Total liabilities and equity</b>		<u>\$ 5,698,446</u>	<u>100</u>	<u>5,568,878</u>
												<u>100</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 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(18) and 7)	\$ 2,028,147	100	2,110,347	100
5000	<b>Operating costs</b> (notes 6(5), (14) and 7)	<u>1,533,410</u>	<u>76</u>	<u>1,743,753</u>	<u>83</u>
	<b>Gross profit</b>	<u>494,737</u>	<u>24</u>	<u>366,594</u>	<u>17</u>
	<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)	<u>(1)</u>	<u>-</u>	<u>(58)</u>	<u>-</u>
		<u>183,101</u>	<u>9</u>	<u>164,213</u>	<u>7</u>
	<b>Net operating income</b>	<u>311,636</u>	<u>15</u>	<u>202,381</u>	<u>10</u>
	<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))	<u>911,668</u>	<u>45</u>	<u>715,831</u>	<u>34</u>
		<u>947,656</u>	<u>47</u>	<u>748,373</u>	<u>35</u>
7900	<b>Income before income tax</b>	1,259,292	62	950,754	45
7950	Less: income tax expenses (note 6(15))	<u>217,203</u>	<u>11</u>	<u>154,188</u>	<u>7</u>
	<b>Net Income</b>	<u>1,042,089</u>	<u>51</u>	<u>796,566</u>	<u>38</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	<u>159,890</u>	<u>8</u>	<u>9,477</u>	<u>-</u>
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))	<u>6,461</u>	<u>-</u>	<u>(5,285)</u>	<u>-</u>
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>(27,929)</u>	<u>(2)</u>	<u>21,139</u>	<u>1</u>
8300	<b>Other comprehensive income (loss)</b>	<u>131,961</u>	<u>6</u>	<u>30,616</u>	<u>1</u>
	<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>	\$ 339,280	-	866,545	317,213	68,147	1,094,373	1,479,733	(75,558)	-	2,610,000
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>	339,280	-	912,959	373,276	75,558	1,286,893	1,735,727	(54,419)	7,201	2,940,748
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>	\$ 358,897	9,093	1,392,651	498,834	-	1,590,935	2,089,769	(82,348)	161,679	3,929,741

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)

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<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>	<u>165,921</u>	<u>95,846</u>
<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>	<u>(584,684)</u>	<u>208,838</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(765,436)	1,031,848
<b>Cash and cash equivalents at beginning of period</b>	<u>1,481,125</u>	<u>449,277</u>
<b>Cash and cash equivalents at end of period</b>	<u><b>\$ 715,689</b></u>	<u><b>1,481,125</b></u>

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 the printed name.

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 listed on the financial statement		The company	All companies in the consolidated financial statements	
Chairman	Acter Group Corporation Limited (Representative: Chin-Li Liang)	0	0	0	0			1,056	1,116			0	0	0	0	0	0	0	0			61,710
Director	Acter Group Corporation Limited (Representative: Chung-Cheng Hsu)	0	0	0	0	27,082	28,735	36	36	28,318	30,071	908	2,906	0	0	0	0	0	0	37,889	41,640	672
Director	Acter Group Corporation Limited (Representative: Bi-Hui Wu)	0	0	0	0			96	96	2.72%	2.89%	0	0	0	0	0	0	0	0	3.64%	4.00%	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	1,056	0	0	0	0	0	0	0	0	1,056	1,056	None
Independent Director	Sheng-Yung Yang	960	960	0	0	0	0	96	96	1,056	1,056	0	0	0	0	0	0	0	0	1,056	1,056	None
Independent Director	Cheng Li	960	960	0	0	0	0	96	96	1,056	1,056	0	0	0	0	0	0	0	0	1,056	1,056	None
Independent Director	Hui-Yin Chiu	960	960	0	0	0	0	96	96	1,056	1,056	0	0	0	0	0	0	0	0	1,056	1,056	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 transfer of equity</u> 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>-(5) 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>-(6) 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>-(7) 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>-(8) 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>-(9) 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>-(10) 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>	

### Procedure for Acquisition or Disposal of Assets

#### **Article 1** Purpose and source of Act

The Company has established this operating procedure in accordance with Article 36 of the Securities and Exchange Act and " Regulations Governing the Acquisition and Disposal of Assets by Public Companies " for the purpose of strengthening asset management, safeguarding investment, and implementing information disclosure. Acquiring or disposing of assets is performed in accordance with the provisions of this procedure.

#### **Article 2** Asset scope

The scope of the assets referred to in this procedure is as follows:

- 2.1 Stocks, public debts, corporate bonds, financial bonds, recognition of the fund's securities, depository receipts, subscriptions (sales) warrants, beneficiary securities, and asset-based securities.
- 2.2 Real estate (including land, housing and construction, investment property, and construction industry inventory) and equipment.
- 2.3 Membership Card.
- 2.4 Intangible assets such as patents, copyrights, trademark rights, franchise rights, etc.
- 2.5 Right-of-use assets
- 2.6 Claims of financial institutions (including accounts receivable, purchase discounts, lending, and collection payments).
- 2.7 Derived goods.
- 2.8 Assets acquired or dispositioned by merger, division, acquisition or transfer of shares pursuant to law.
- 2.9 Other important assets.

#### **Article 3** Glossary

##### 3.1 Derivative Products:

Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

##### 3.2 Assets acquired or dispositioned in accordance with law mergers, divisions, acquisitions or share transfers:

Refers to assets acquired or discontinued pursuant to the Mergers and Acquisitions Act, the Company Act, the Merger Act of the Financial Institutions, or other laws, mergers, divisions, or acquisitions, or the issuance of new shares pursuant to Article 156-3 of the Company Act Received shares of other companies (hereinafter referred to as shares).

- 3.3 Relationships, Subsidiaries:  
It shall be determined in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 3.4 The real estate appraiser:  
Refers to real estate appraisers or other persons who may engage in the evaluation of real estate and equipment according to law.
- 3.5 The date of the facts:  
Refers to the date of the transaction contract date, payment date, commission transaction date, transfer date, Board of Directors resolution day or other sufficient amount to determine the date of transaction and the transaction amount, and other dates. However, investors who are required to be approved by the competent authority shall be subject to the above date or the date of approval of the competent authority.
- 3.6 Investment in the Mainland:  
Refers to investments in mainland China engaged in regulations concerning investment or technical cooperation licensing in the mainland by the Investment Review Commission of the Ministry of Economic Affairs.
- 3.7 Investment professional:  
Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- 3.8 Securities exchange:  
"Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- 3.9 Over-the-counter venue ("OTC venue", "OTC"):  
"Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
- 3.10 The so-called "The latest financial statement" means that the company publicly audits the financial statements audited or certified by the certified public accountant before obtaining or disposing of the assets.

**Article 4** Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- 4.1 May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a

suspended sentence, or since a pardon was received.

- 4.2 May not be a related party or de facto related party of any party to the transaction.
- 4.3 If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of their respective trade council and the following:

- 4.3.1 Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- 4.3.2 When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- 4.3.3 They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- 4.3.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

**Article 5** Limits for acquisition of real estate or securities not for business use

- 5.1 The company and its subsidiaries individually obtain the following limits for real estate or securities not used for business use:
  - 5.1.1 The total amount of real estate not purchased for business use must not exceed 50% of the company's latest net financial statement.
  - 5.1.2 The total amount of portfolio investment may not exceed 50% of the company's latest financial statement's net value; the amount of individual portfolio investment may not exceed 30% of the company's latest financial statement's net value. The calculation of the value of securities investment does not include guaranteed securities.
- 5.2 The Company's re-investment is subject to the Board of Directors resolution authorizing the company's Articles of Association to do so. It is not subject to the thirteenth article of the Company Act and must not exceed the limit of forty percent of paid-in capital.

**Article 6** Obtain or Dispose of Evaluation and Operating Procedures for Securities

- 6.1 Price Determination Method and Reference  
In order to obtain or dispose of securities, the latest company's financial statements audited by an certified public accountant or verified by a certified public accountant should be used as a reference for evaluating the transaction price before the factual occurrence date.
- 6.2 Ask the experts to issue opinions
  - 6.2.1 To obtain or dispose of securities, and if the transaction amount reaches 20 percent of the company's paid-in capital or more than NT\$300 million, they should contact the certified public accountant to express their opinion on the reasonableness of the transaction price before the factual

occurrence date. However, unless the Financial Supervisory Commission has otherwise provided a stipulation in the open market price quoted by the active trading market, it shall not be so limited.

6.2.2 Calculation of the transaction amount shall be handled in accordance with the provisions of 13.2, and within one year of the alleged period, based on the date of the occurrence of the transaction, and retrospectively calculated for one year, which has been issued by professional appraisers according to the provisions of this procedure. The valuation report or certified public accountant's comments are not counted back.

### 6.3 Authorized Credits and Tiers

6.3.1 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.

6.3.2 Obtain or dispose of public debts, corporate bonds, financial bonds, domestic and foreign bond funds, and domestic and foreign currency funds for the purpose of financial dispatch. If the amount of each transaction exceeds NT\$100 million, it shall be submitted via the Board of Directors. Passed by Directors, who had not reached NT\$100 million, authorized the directors to approve the transaction. The transaction amounted to more than 70 million yuan, and was subsequently reported to the nearest Board of Directors for review.

6.3.3 For other securities that are acquired or dispositioned for the purpose of financial dispatch, each transaction amounting to more than NT\$70 million should be submitted by the Board of Directors, which is less than NT\$70 million. Authorize the directors to approve the transaction, and the transaction amount exceeds 50 million yuan. Afterwards, report to the nearest Board of Directors for verification.

6.3.4 Other securities not obtained or disbursed for business or financial purposes, with a transaction value of NT\$30 million or more, should be submitted by the Board of Directors, which is less than NT\$30 million. , authorized directors long approval.

6.3.5 The negotiable certificates of deposit, short-term commercial and bank acceptance bills, and the purchase and sale of bonds with the conditions for repurchasing and selling shall not be limited to this, but shall be approved by the directors.

### 6.4 Implementation Unit

The company's acquisition and disposal of long-term and short-term securities investment should be performed by the financial unit after the nuclear authority has been submitted for verification.

### 6.5 Trading Process

The Company obtains or disposes of the transaction process of securities, which is handled in accordance with the provisions of the company's internal control system investment cycle related operations.

## **Article 7** Obtaining or Disposing of Evaluation and Operating Procedures of Real Estate , Equipment or Right-of-use Assets

### 7.1 Price Determination Method and Reference

To obtain or dispose of real estate, equipment or right-of-use assets, reference

shall be made to the present value of the announcement, the assessed value, and the actual transaction price of the nearby real estate. The transaction conditions, transaction price, and analysis report shall be prepared through procedures such as inquiry, price comparison, bargaining, or public tendering. Reporters are long.

## 7.2 Asked experts to issue a valuation report

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

7.2.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

7.2.2 When the transaction amount exceeds NT\$1 billion, more than two professional appraisers should be evaluated.

7.2.3 The professional appraiser's valuation result has one of the following circumstances, except that the valuation result of the acquired asset is higher than the transaction amount, or the valuation result of the disposition asset is lower than the additional transaction amount, and the certified public accountant should be consulted according to the accounting research and development fund., and render a specific opinions shall be expressed on the reasons for the discrepancy and the rationality of the transaction price:

- (1) The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.
- (2) The gap between the valuation results of two or more professional appraisers is more than 10% of the transaction amount.

7.2.4 The date of a professional appraiser and the contractor's pre-declaration date, the date of issue of the report and the date of the contract shall not exceed three months. However, if it applies to the present value of the same period of announcement and does not exceed six months, the original real estate appraiser may issue a written opinion.

7.2.5 A person who obtains or disposes of assets through a court auction procedure may replace the valuation report with a certificate issued by the court.

7.2.6 The calculation of the transaction amount shall be handled in accordance with the provisions of 13.2.

## 7.3 Authorized Credits and Tiers

The acquisition or disposal of real estate, equipment or right-of-use assets with a transaction amount of NT\$80 thousands to NT\$30 million (inclusive) shall be submitted to the chairman for approval; if the transaction amount exceeds NT\$30 million (inclusive), it must be approved by the Board of Directors. .

## 7.4 Implementation Unit

When the company acquires or disposes of immovable property, equipment or right-of-use assets, it shall be subject to the approval of the nuclear authority of the foregoing paragraph, and the use department and related power and responsibility units shall be responsible for the execution.

7.5 Trading Process

The Company obtains or disposes of transaction procedures for real estate, equipment or right-of-use assets, and is required to comply with the Company's internal control system for real estate, plant and equipment cycle-related operations.

**Article 8** Obtaining or Disposing of Assets from Related Persons and Procedures

8.1 The Company obtains or divests assets from a related party. If the transaction amounted to more than 10% of the company's total assets, it shall also obtain the valuation report or opinion of the certified public accountant issued by the real estate appraiser according to the provisions of the preceding article. The calculation of the transaction amount shall be handled in accordance with the provisions of 13.2. When judging whether the transaction partner is a related person, he should consider the substantive relationship in addition to his legal form.

8.2 The Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

8.2.1 The purpose, necessity and expected benefits of acquiring or arranging assets.

8.2.2 The reasons why the selected person is the subject of the transaction.

8.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 8.3 and Article 8.4.

8.2.4 The date and price of the original acquisition of the related party, the transaction object and its relationship with the company and its related parties.

8.2.5 It is expected that the monthly cash income and expenditure forecast table for the coming one month of the future of the contract month will be reviewed and the necessity of the transaction and the rationality of the use of funds will be assessed.

8.2.6 The valuation report issued by a real estate appraiser obtained pursuant to 8.1, or the opinion of the certified public accountant.

8.2.7 Restrictions and other important commitments of this transaction.

8.2.8 With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7.3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors



meeting:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
  - (2) Acquisition or disposal of real property right-of-use assets held for business use.
- 8.2.9 The Company shall fully consider the opinions of independent directors when obtaining or disposing of assets to Board members of the Board of Directors. If an independent director has any objections or reservations, he shall state in the Minutes of Meeting of Board of Directors.
- 8.2.10 Where the Company or its subsidiaries that are not public companies in Taiwan are engaged in the transaction as described in the 8.2.1 to 8.2.7, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in the 8.2.1 to 8.2.7 to the shareholders' meeting for approval prior to entering into a transaction contract and making a payment. However, this restriction does not apply to transactions between the Company with its parent and subsidiaries, or between subsidiaries.
- 8.2.11 Calculation of the transaction amount shall be handled in accordance with the provisions of 13.2, and within one year of the alleged period, based on the date of the occurrence of the transaction, and retroactively calculated for one year in advance. All members of the Audit Committee shall have been regulated in accordance with the provisions of this procedure. More than half agree and submit to the shareholders' meeting and the Board of Directors to waive the recognition again.
- 8.3 Evaluation of the Rationale of Transaction Costs
- 8.3.1 To obtain real estate or right-of-use assets from a related party, the following methods should be used to assess the reasonableness of transaction costs:
- (1) Add the necessary funds interest and the buyer's legal cost to the transaction price of the related party. The so-called necessary capital interest cost is calculated based on the weighted average interest rate of the borrowed items of the company's purchased assets, but it must not be higher than the highest non-financial industry borrowing rate announced by the Ministry of Finance.
  - (2) If the related party once set the mortgage borrower to the financial institution with the subject matter, the financial institution assesses the total value of the loan against the subject matter, but the cumulative value of the actual lending of the subject matter by the financial institution should reach the loan and loan assessment More than 70% of the total value and more than one year during the loan period. However, it is not applicable if the financial institution and one of the parties to the transaction are related to each other.
- 8.3.2 Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in Article 8.3.1.
- 8.3.3 To acquire real estate or right-of-use assets from a connected person, the cost of the real property or right-of-use assets should be assessed in accordance with 8.3.1 and 8.3.2, and certified public accountant should review and express specific opinions.
- 8.3.4 The acquisition of immovable property or right-of-use assets from a connected person is subject to the provisions of 8.2 related assessments

and operating procedures, and does not apply the assessment requirements for the reasonableness of transaction costs specified in 8.3.1 to 8.3.3.

- (1) A person in a relationship acquires immovable property or right-of-use assets because of inheritance or gift.
- (2) The time for the contractor to obtain immovable property or right-of-use assets was more than five years before the contract date of the transaction.
- (3) Signing a co-construction contract with a affiliated person, or requesting the affiliated person to build an immovable property and obtaining real estate from the committee of the Party committee or the building committee of the prefecture.
- (4) The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

8.4 When the evaluation results are lower than the transaction price according to 8.3.1 and 8.3.2, they shall be handled in accordance with 8.5. However, if due to the following circumstances, the objective evidence and the specific rationality opinions of the real estate appraiser and the certified public accountant shall be provided, this shall not apply:

8.4.1 If the affiliate obtains the redevelopment of the original land or rented land, he or she must produce evidence that meets one of the following conditions:

- (1) As assessed by the method prescribed in 8.3, prime real estate is calculated based on the construction cost of the related party plus a reasonable construction profit, which is the aggregate of the actual transaction price. The so-called reasonable construction profits shall be based on the average operating gross margin of the related party's construction department in the recent three years or the lowest gross profit margin of the construction industry announced by the Ministry of Finance.
- (2) Other non-relationship transactions within one year in other floors of the same subject premises or in adjacent areas are similar in area, and the conditions are comparable if the transaction conditions are assessed on the basis of reasonable floor or regional spreads in accordance with the conventions governing the sale of real estate or lease.

8.4.2 Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the

acquisition of the real property or obtainment of the right-of-use assets thereof.

8.5 To acquire real estate or right-of-use assets from a related party, if the evaluation results are lower than the transaction price as stipulated in 8.3 and 8.4, the following matters shall be handled:

8.5.1 Special surplus reserves shall be provided in accordance with the Articles of Incorporation and the relevant laws and regulations for the difference between the price of the real property or right-of-use assets transaction and the evaluation cost, and shall not be distributed or transferred for capital allocation. Investors who evaluate the equity of the company's investment in the equity method, if they are publicly-issued companies, shall also set aside a special surplus reserve in accordance with relevant laws and regulations in proportion to the amount of such an offer.

8.5.2 Independent director members of the Audit Committee shall comply with Article 218 of the Company Act.

8.5.3 The former 8.5.1 and 8.5.2 cases should be submitted to Shareholders' meeting and the details of the transaction should be disclosed in the annual report and the public statement.

The company and the public offering company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.

8.6 The Company obtains real estate or right-of-use assets from related parties. If there is any other evidence showing that the transaction is inconsistent with business practices, it shall comply with the provisions of 8.5.

8.7 The provisions of this Article relating to 10% of the total assets shall be calculated on the basis of the total amount of assets in the most recent individual financial report as stipulated in the standard for the preparation of the financial report of the securities issuer.

**Article 9** The Company acquires or disposes of evaluation and operating procedures of intangible assets or right-of-use assets thereof or memberships.

9.1 Price Determination Method and Reference

To obtain or dispose of intangible assets or right-of-use assets thereof or memberships, it is necessary to consider the potential benefits and market-determined value of the assets in the future, and if necessary, refer to expert opinions and negotiate with the transaction counterparts.

9.2 Ask experts to issue opinions

The company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The calculation of the aforementioned transaction amounts shall be handled in accordance with the provisions of 13.2.

9.3 Authorized Credits and Tiers

9.3.1 Obtaining or disposing of a membership card, if the transaction amount is less than NT\$5 million (inclusive), it shall be submitted through the company's own internal signing and submitted to the chairman for approval; if the transaction amount exceeds NT\$5 million, it must be approved by the Board of Directors..

9.3.2 Obtaining or disposing of intangible assets or right-of-use assets, if the transaction amount is less than NT\$5 million (inclusive) submitted to the chairman for approval. If the transaction amount exceeds NT\$5 million, it must be approved by the Board of Directors.

9.4 Implementation Unit

The company's obtaining and disposing of intangible assets or right-of-use assets thereof or memberships shall be performed by the user unit and the relevant power and responsibility unit after the nuclear authority has been submitted for verification.

9.5 Trading Process

The Company obtains or disposes of intangible assets or right-of-use assets thereof or memberships, which is handled in accordance with the Company's approval list and internal control system procurement and payment cycle procedures.

**Article 10** Evaluation and Operation Procedures for Obtaining or Disposing Derivative Products

In order to effectively manage the company's income and expenditure, assets and liabilities due to changes in foreign exchange, interest rates, etc., and the company's exposure to derivative commodity transactions.

**Article 11** Acquire or dispose of derivative products for assessment

In order to effectively manage the company's income and expenditure, assets and liabilities due to changes in foreign exchange, interest rates, etc., engaged in derivative commodity trading risks.

11.1 Transaction type

Derivative products that the Company can buy or sell are referred to in Article 3.1

11.2 Business or hedging strategy

The Company engages in the derivative transactions should mainly be conducted for the purpose to ensure profit of the Company's business and avoid risks associated with fluctuation in exchange rate, interest rate and/ or value of assets.

11.3 Division of powers and responsibilities

The person to whom the financial unit may conduct derivative commodity transactions and the confirmation must be assigned by the treasurer.

Set up transaction confirmation and Settlement Officer. The confirmation staff is responsible for confirming the transaction with the counterparty. The Settlement Officer is responsible for arranging due settlements, and the transaction confirmation must not be the same as the Settlement Officer.

11.4 Determination of the total amount of the transaction deed and the maximum loss limit

11.4.1 The total amount of the transaction contract

(1) Hedging Operations

The total amount of the company's total safe-haven contract shall not exceed the foreign currency position of receivables/payables arising from the company's business within the next six months.

(2) Trading Operations

The total amount of the transaction contract for trading purpose shall not exceed 20% of the company's latest financial statement's net value. Any amount exceeding 100 million shall be approved by the board of directors and shall be subject to policy instructions.

11.4.2 Maximum Loss Limit

(1) Hedging Operations

If the company's individual (all) contract loss is more than 5% of the market price, the company will need to report whether the director's approval will be settled.

The maximum individual (all) contract loss limit shall not exceed the limit of 10% of the individual (all) transaction contract amount. If the maximum loss limit is exceeded, the announcement shall be made in accordance with the "13 Announcement Declaration Procedure".

(2) Trading Operations

If the individual (all) contract losses of the company are at a loss of more than 5% of the market price, they shall report to the chairman for approval whether or not the position will be settled.

The maximum individual (all) contract loss limit shall not exceed the limit of 10% of the individual (all) transaction contract amount. If the maximum loss limit is exceeded, the announcement shall be made in accordance with the "13 Announcement Declaration Procedure".

11.5 Performance Evaluation

The position of derivative instruments shall be weekly evaluated; transactions for hedging purposes shall be biweekly evaluated. The evaluation report shall be proved to manager authorized by the Board of Directors.

11.6 Delegation Lines and Levels

The authorization limits and hierarchies are as follows:

The company's authorized trader must be able to enter into the transaction only after the amount of the transaction contract specified in 11.4.1 has been approved by the chief financial officer and approved by the treasurer.

Each transaction must be internally signed in accordance with the amount of credit, and its authorization limit, transaction approval and hierarchy are as follows:

Amount (NT\$)	Department heads	General manager	Chairman	Board of Directors
Below 100 million	Review	Review	Approved	Recognize
100 million or more	Review	Review	Review	Resolution

In order to enable the transaction partner to cooperate with the supervision and management of the Company, the transaction authorization amount and level specified in this section should be notified in writing to the transaction target. However, the written confirmation with the transaction object, regardless of the amount of money, is signed by the treasurer.

11.7 Major Derivative Commodity Trading

Major derivatives transactions should be dealt with in accordance with relevant regulations and provide Board of Directors for resolutions.

- 11.8 Implementation Unit and Process
  - 11.8.1 Confirming the Transaction Section.
  - 11.8.2 Related trend analysis and judgment.
  - 11.8.3 Determining practices:
    - (1) The subject of the transaction
    - (2) Trading position
    - (3) Target price and range
    - (4) Trading Strategies and Patterns
    - (5) The price reference is based on the open quotation system.
  - 11.8.4 Obtaining Approval of a Transaction.
  - 11.8.5 Executing a Transaction
    - (1) Transaction object:

When selecting trading partners, they must first consider the consideration of credit risk.
    - (2) Traders:

The company's personnel who perform derivative commodity transactions should first sign the agreement with the top decision-making director, general manager, and directors of the finance department to inform the company's current financial institutions that the non-mentioned personnel should not engage in transactions.
- 11.9 Risk Management
  - 11.9.1 Credit Risk:

The company is limited to the principle that the company trades with the company's banks or well-known financial institutions, and can provide professional information, otherwise it should sign the highest decision-making director of the finance department to agree.
  - 11.9.2 Market risk:

Market risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.
  - 11.9.3 Liquidity Risk:

In order to ensure liquidity, it is necessary to confirm with the capital personnel before the transaction that the transaction amount will not result in insufficient liquidity.
  - 11.9.4 Cash Flow:

The Company should maintain sufficient liquid assets and financing facilities to meet the demand for delivery funds.
  - 11.9.5 Operational Risk:

The Company determines the authorization limit and operation process to avoid operational risks.
  - 11.9.6 Legal Risk:

Documents signed by the company and counterparties must be reviewed by internal legal personnel or legal advisors before they can be formally signed to avoid legal risks.
- 11.10 Internal Control
  - 11.10.1 The Company's trading staff and confirmation and delivery personnel shall not hold concurrent positions.
  - 11.10.2 When a transaction occurs, the trader should fill out the transaction slip

and submit it to the confirmation person for confirmation. Confirmation personnel should confirm and count the statistics in the part master table according to the transaction slip and the transaction object.

11.10.3 Personnel for measurement, supervision and control of risks shall be assigned to different departments with the personnel of the preceding paragraph and shall report to the Board of Directors or Chairman.

11.11 Regular Evaluation Methods and Handling of Abnormal Situations

The position of derivative instruments shall be weekly evaluated; transactions for hedging purposes shall be biweekly evaluated by the finance department. The evaluation report shall be proved to manager authorized by the Board of Directors, if there is an abnormal situation, and take the necessary measures for response.

The assessment items should include the following items:

11.11.1 Regularly assess whether the performance of engaging in derivative commodity transactions meets established business strategies.

11.11.2 Whether the risk assumed is within the scope of the company's tolerance.

11.11.3 Assessment of risk management measures on a monthly basis: Regularly assess whether the risk management measures currently in use are appropriate and do in accordance with the Company's procedures for dealing with derivative commodity transactions.

11.11.4 The Ministry of Finance shall deal with the provisions of the Business Accounting Law, the Financial Accounting Standards Communique and the relevant competent authority's letter of order. If there are no relevant regulations, the details shall be logged in and the monthly realized and unrealized profit and loss statements shall be calculated.

11.12 The Company is engaged in derivative commodity transactions. The Board of Directors does supervise and manage according to the following principles:

11.12.1 Designated senior executives should always be aware of the supervision and control of the risk of derivative commodity transactions.

11.12.2 Regularly assess whether the performance of the derivative commodity transaction is in line with the established business strategy and whether the risk assumed is within the scope of the company's tolerance.

11.13 High-level executives authorized by the Board of Directors shall manage the transactions of derivative commodities in accordance with the following principles:

11.13.1 Regularly evaluate the appropriateness of the risk management measures currently in use, and do so in accordance with this Act and the company's procedures for dealing with derivative commodity transactions.

11.13.2 When supervising transactions and gains and losses and discovering unusual circumstances, they shall take necessary measures and report to the Board of Directors immediately. Board of Directors shall have independent director to attend and express opinions.

11.14 Internal auditors should regularly understand the permissibility of the internal control of derivative commodity transactions, and check monthly the compliance of relevant trading departments with the relevant provisions of this

process, analyze the trading cycle, and prepare audit reports. If major violations are found, Written notice to the audit committee member.

- 11.15 The Company engages in derivative commodity transactions and should prepare a reference book. The details of the types, amounts, dates of the Board of Directors adoption, and those that should be carefully assessed in accordance with 11.10 for engaging in derivative commodity transactions are detailed in the Reference Book for future reference.
- 11.16 The company managers and sponsors who engage in derivative commodity transactions shall follow the provisions of this process to protect the company from unfair losses. If any violation of the relevant laws or regulations of this procedure is involved, its punishment shall be handled in accordance with the provisions of the company's relevant personnel regulations.
- 11.17 The Company's subsidiary is intended to engage in derivative commodity trading. The company should urge it to establish procedures for the processing of derivative commodity transactions and implement it in accordance with relevant regulations before implementing the Board of Directors resolution. If the subsidiary of the Company engages in derivative commodity transactions, it should periodically provide relevant information to the company for verification.

**Article 12** Process of merger, split, acquisition or share transfer evaluation and operating procedures

- 12.1 The Company acquires or disposes of assets in accordance with legal mergers, divisions, acquisitions or transfer of shares. It is governed by the relevant provisions of the "Crete for Handling Acquisition and Disposal of Assets by Public Companies" and "Business Mergers and Acquisitions Act".
- 12.2 The Company is required to obtain an agreement, merger, division, acquisition or share transfer to the certified public accountants, lawyers or securities underwriters before the Board of Directors resolution is convened to justify the conversion ratio, the purchase price, or the allotment of cash or other assets of shareholders. Express opinions and submit to the Board of Directors for discussion and adoption. However, if the company merges directly or indirectly subsidiaries that hold 100% of the issued shares or total capital, or if they directly or indirectly hold 100% of the issued shares or the total amount of capital in the merger of subsidiaries, they may avoid obtaining reasonable opinions from the former experts.

**Article 13** Announcement procedure

- 13.1 When the company acquires or disposes of assets, it shall, in accordance with the nature, submit the relevant information to the designated website of the Financial Supervisory Commission within 2 days from the date of occurrence of the facts and provide the relevant information to the parent company of the group in the prescribed format according to the nature. :
  - 13.1.1 The company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises shall



not be included.

- 13.1.2 Merge, split, acquisition or transfer of shares.
- 13.1.3 Losses incurred in the trading of derivative commodities amount to the total or individual contract loss limit specified in the prescribed treatment procedures.
- 13.1.4 Acquired or disposed of equipment or right-of-use assets for business use, and the parties to the transaction are not related parties, and the transaction amount has reached NT\$500 million or more.
- 13.1.5 The Company has acquired or disposed of the real estate or right-of-use assets for construction use by the company in construction business and the transaction partner is not a related party, and the transaction amount has reached more than NT\$500 million.
- 13.1.6 The real estate is obtained from the methods of the construction of the local committee, the lease of the land, the construction of the sub-houses, the construction of the sub-units, and the construction of the sub-sales. The company expects to invest more than NT\$500 million in the transaction the parties to the transaction are not related parties.
- 13.1.7 Excluding the previous six-point asset transactions, financial institutions disposing of claims, or engaging in investment in the mainland, the transaction amount of the company's paid-in capital amounted to 20 percent or more than NT\$300 million. However, the following circumstances are not limited:
  - (1) Trading of domestic government bonds or the foreign government bonds with a credit rating not lower than our country's sovereign rating.
  - (2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of foreign government bond, or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or purchase or sell back index investment securities, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
  - (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

13.2 The transaction amount in the preceding paragraph is calculated as follows:

- 13.2.1 The amount of each transaction.
- 13.2.2 Accumulate within one year the amount of the transaction with the same nature as the person obtaining or disposing of the same nature.
- 13.2.3 Accumulated acquisitions or dispositions (acquisition, disposition, respectively) of the amount of real estate or right-of-use assets of the same development plan within one year.
- 13.2.4 Accumulation or disposition (acquisition, disposal separately) of the same amount of securities within one year.

- 13.2.5 Within one year within the said period, based on the date of occurrence of the transaction, the retrospective calculation will be made one year in advance, and the part announced in accordance with the provisions shall not be counted.
- 13.3 The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission by the 10th day of each month and provide relevant information on a monthly basis. Information to the parent company of the group.
- 13.4 The Company shall announce that the project should be re-announced within two days from the date of the knowledge, if there is any error or omission in the announcement and it should be corrected.
- 13.5 The Company obtains or disposes of assets, and the relevant contracts, Minutes of Meeting, reference books, valuation reports, certified public accountants, lawyers, or securities underwriters' opinions shall be kept in the Company. This information is kept for at least five years unless otherwise provided by other Acts.
- 13.6 After the Company declares a transaction in accordance with the provisions of the preceding paragraph of this Article, any one of the following circumstances shall report the relevant information on the designated website of the Financial Supervisory Commission within two days from the date of the factual occurrence:
- 13.6.1 The relevant contract signed in the original transaction has been changed, terminated or cancelled.
- 13.6.2 Mergers, splits, acquisitions or transfer of shares are not completed on a contractual schedule.
- 13.6.3 The contents of the original announcement declaration have been changed.
- 13.7 If the subsidiary of the Company is not a public issuer and acquires or disposes of assets that meet the declared standards for the publication of Articles 30 and 31 of the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies ", the Company shall also the subsidiary handled the notification of the announcement. The applicable reporting standards of the subsidiary company shall be related to the declared amount of the paid-in capital or the total assets, which is based on the paid-in capital of the company or the total assets.

**Article 14** The Company's subsidiary shall comply with the following provisions:

- 14.1 The Company shall urge its subsidiaries to stipulate and execute procedures for obtaining or disposing of assets in accordance with the provisions of Regulations Governing the Acquisition and Disposal of Assets by Public Companies by Financial Supervisory Commission.
- 14.2 The acquisition or disposal of assets by each subsidiary shall be reported to the Company prior to the fact that the "Procedure for Acquisition or Disposal of Assets" or other legal provisions should be approved by the Board of Directors. The Company's responsibilities and units should assess the feasibility, necessity and rationality of the acquisition or disposition of assets, and follow up the execution status afterwards to conduct an analysis review.
- 14.3 The Company's internal auditors should regularly audit the compliance status of

each subsidiary's " Procedure for Acquisition or Disposal of Assets " and prepare an audit report. After the findings and recommendations of the audit report are submitted, they should notify the affected subsidiaries to improve. It also regularly produces follow-up reports to ascertain that it has taken appropriate improvement measures in a timely manner.

**Article 15** 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.

**Article 16** Penalties

The Company employees undertake to obtain and dispose of assets in violation of the provisions of this process, according to the company employee handbook regularly submit assessment, according to the severity of the punishment.

**Article 17** Supplements to the Ordinance

The matter of this procedure is not exhausted and it is handled in accordance with the relevant laws and regulations. °

**Article 18** In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Procedure, 10 percent of equity attributable to owners of the parent shall be substituted.

**Article 19** Implementation and Correction

- 19.1 This operating procedure is approved by more than half of all members of the Audit Committee and is subject to resolution by the Board of Directors. The resolution is then submitted to the Shareholders' meeting with consent. If there are any directors who have objections and have written or written statements, the company shall disagreeing with the Audit Committee and submitting a shareholder's meeting for discussion will also be the same.
- 19.2 If more than one-half of the total number of members of the Audit Committee agree, the foregoing paragraph may be agreed by more than two-thirds of all directors, and the Board of Directors shall state the resolution of the Audit Committee in the Board of Directors Minutes of Meeting.
- 19.3 All the members of the Audit Committee referred to 19.1 in the preceding paragraph and all directors referred to in the preceding paragraph shall be calculated based on the actual incumbent.
- 19.4 When submitting the procedures for obtaining or disposing of assets to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of the independent directors shall be fully considered and the opinions and reasons for their consent or objection shall be included in the Minute of Meeting.

## **Rules of Procedure for Shareholder Meetings**

### **Article 1** (Basis and purpose)

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

### **Article 2** (Scope)

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

### **Article 3** (Definition)

The term "shareholders" as used in this Procedures refers to the agents to whom the shareholders and the shareholders are present.

### **Article 4** (Convening shareholders meetings and shareholders meeting notices)

- (1) Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
- (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.
- (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.
- (4) 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:
  - A. For physical shareholders meetings, to be distributed on-site at the meeting.
  - B. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
  - C. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
- (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.

- (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.
- (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 changed in the same meeting by an extraordinary motion or other means.
- (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.
- (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.
- (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 Article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

**Article 5** (Attendance at Shareholders' meeting and authorization)

- (1) For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- (2) A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- (3) After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the

Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

- (4) If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 6** (Principles determining the time and place of a shareholders meeting)

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

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

**Article 7** (Preparation of documents such as the attendance book)

- (1) The Company shall specify in its shareholders meeting notices the time during which shareholder, solicitors and proxies (collectively "shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- (2) The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
- (3) Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- (4) The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- (5) The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
- (6) When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- (7) In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.
- (8) In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

**Article 7-1** (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

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

- (1) How shareholders attend the virtual meeting and exercise their rights.
- (2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- (3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

**Article 8** (The chair and non-voting participants of a shareholders meeting)

- (1) If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- (2) When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- (3) It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors (at least one independent director) in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

- (4) If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- (5) The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

**Article 9** (Documentation of a shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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

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

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

**Article 10** (Shareholders' meeting attendance calculations and meetings)

- (1) Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- (2) The chair shall call the meeting to order at the appointed meeting time and announce the votes with no voting rights and the number of shares in attendance. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
- (3) If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 7.
- (4) When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative



resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

**Article 11** (Discussion of proposals)

- (1) If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant agendas (including the extraordinary motion or amendment of the existing agenda) should be resolved case by case. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
- (3) The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- (4) The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. Attendees should be offered with adequate time to vote.

**Article 12** (Shareholder speech)

- (1) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- (2) A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- (3) Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- (4) When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- (5) When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- (6) After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- (7) Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each

question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

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

**Article 13** (Calculation of voting shares and recusal system)

- (1) Voting at a shareholders meeting shall be calculated based the number of shares.
- (2) With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
- (3) When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
- (4) The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- (5) With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

**Article 14** (Resolution, scrutiny and counting of motions)

- (1) A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- (2) When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by electronics means or correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
- (3) A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- (4) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

- (5) Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
- (6) At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- (7) When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- (8) Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
- (9) Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- (10) When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
- (11) In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
- (12) When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 7 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
- (13) When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

**Article 15** (Election matters)

- (1) The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names and votes they received for every winning or losing candidate.
- (2) The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

**Article 16** (Minute of Meeting and Signing Events)

- (1) Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- (2) This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- (3) The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the weighted voting). When an election of directors is held, the number of weighted votes each candidate wins shall be publicized and shall be retained for the duration of the existence of the Company.
- (4) Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
- (5) When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

**Article 17** (Public disclosure)

- (1) On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
- (2) During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
- (3) If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 18** (Maintaining order at the meeting place)

- (1) Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- (2) The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

**Article 19** (Recess and resumption of a shareholders meeting)

- (1) When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- (2) If the meeting venue is no longer available for continued use and not all of the items including extraordinary motions on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
- (3) A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

**Article 20** (Disclosure of information at virtual meetings)

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

**Article 21** (Location of the chair and secretary of virtual-only shareholders meeting)

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

**Article 22** (Handling of disconnection)

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

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

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

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes

have been cast and counted and results have been announced, or list of elected directors and supervisors.

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

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

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

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

**Article 23** (Handling of digital divide)

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.

**Article 24** (Implementation)

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

**NOVA TECHNOLOGY CORPORATION****Articles of Incorporation****Chapter 1 General**

Article 1 : The Company is organized under the terms of the Company Act and its name shall be 朋億股份有限公司 in the Chinese language, and NOVA TECHNOLOGY CORP. in the English language.

Article 2 : The Company's business is as follows:

1. C801010 Basic chemical industry
2. C801020 Petrochemical raw material manufacturing
3. C801030 Precision Chemical Materials Manufacturing
4. C805050 Industrial Plastic Product Manufacturing
5. CA02010 Metal structure and building module manufacturing
6. CA02050 Valve manufacturing
7. CA02090 Metal wire product manufacturing
8. CA02990 Other metal products manufacturing
9. CB01010 Machinery and equipment manufacturing
10. CB01030 Pollution prevention equipment manufacturing industry
11. CB01990 Other machinery manufacturing
12. CC01010 Power generation, transmission, and distribution machinery manufacturing
13. CC01080 Electronic component manufacturing
14. CC01990 Other electrical and electronic machinery and equipment manufacturing
15. CE01010 General instrument manufacturing
16. E103101 Environmental Protection Engineering Professional Construction Industry
17. E502010 Fuel pipe installation engineering
18. E599010 Plumbing industry
19. E601010 Electrical appliance industry
20. E601020 Electrical installation industry
21. E603010 Cable installation engineering
22. E603020 Elevator installation engineering
23. E603040 Fire safety equipment installation engineering
24. E603050 Automatic Control Equipment Engineering
25. E603080 Traffic Signal Installation Engineering
26. E603090 Lighting installation engineering
27. E603100 Welding Engineering
28. E604010 Mechanical installation industry
29. E605010 Computer equipment installation industry

30. E801010 Interior decoration industry
31. E801020 Door and window installation engineering
32. E801030 Indoor light steel frame engineering
33. E903010 Anti-corrosion, anti-rust engineering industry
34. EZ02010 Lifting Engineering
35. EZ05010 Instrument and instrument installation engineering
36. EZ06010 Traffic Marking Engineering
37. EZ07010 Drilling Engineering
38. EZ09010 Electrostatic Protection and Elimination Engineering
39. EZ15010 Insulation, cold insulation installation engineering
40. EZ99990 Other engineering industry
41. F107200 Chemical raw materials wholesale
42. F107990 Other chemical wholesales
43. F113010 Machinery Wholesale
44. F113020 Electric appliance wholesale
45. F113030 Precision Instrument Wholesale
46. F113050 Computer and transactional machinery and equipment wholesale
47. F118010 Information software wholesale
48. F119010 Electronic materials wholesale
49. F207200 Chemical raw materials retail
50. F207990 Other chemicals retail
51. F213030 Computer and transactional equipment retail
52. F213040 Precision Instrument Retail
53. F213990 Other machinery and equipment retail
54. F218010 Information Software Retail
55. F219010 Electronic materials retail
56. F401010 International trade
57. G801010 Storage industry
58. H701050 Invest in public construction
59. I103060 Management Consultancy
60. I301010 Information Software Services
61. IF01010 Fire safety equipment maintenance industry
62. IG03010 Energy Technology Services
63. IZ06010 Tally packaging industry
64. IZ12010 Manpower dispatch
65. J101030 Waste removal industry
66. J101040 Waste treatment industry
67. J101050 Environmental Testing Services
68. J101060 Waste (sewage) water treatment industry
69. J101070 Radioactive Waste Treatment Services
70. JA02010 Electrical and electronic products repair industry



71. JE01010 Leasing industry

72. ZZ99999 In addition to the licensing business, businesses that are not prohibited or restricted by business regulations

Article 3 : The Company is headquartered in Hsinchu County, Taiwan Province. If necessary, it can set up branches or subsidiaries at home and abroad through the resolution of the Board of Directors.

Article 4 : When the Company becomes a shareholder of limited liability of another company, the total amount of the Company's investment will not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Act. The board of directors is authorized to make such investment.

Article 5 : The Company's announcement method is governed by the Company Act and other related laws and regulations.

Article 6 : The Company may provide endorsement and guarantee and act as a guarantor.

## **Chapter 2 Shares**

Article 7 : The company's capital is generally rated at NT\$500 million and is divided into 100 million shares, NT\$5 per share, issued in multiple installments, and unissued shares are subject to actual resolution by the Board of Directors. The amount of NT\$ 10 million was reserved for the use of the employee's share certificate in the total capital of the preceding paragraph. It was divided into 2 million shares and NT\$5 per share. It may be issued in multiples according to the resolution of the Board of Directors.

Article 7-1 : Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Company. The Board shall be authorized to resolve on the requirements, distribution and purchase methods.

Article 8 : The company's shares are registered by the director's signature and are issued after being legally granted a visa. The Company may acquire the non-printed stocks and shall contact the centralized securities depository institution to log in; the issuance of other securities shall be the same.

Article 9 : The Company's shareholding operations are handled in accordance with the relevant laws and regulations and the regulations of the competent authority.

## **Chapter 3 Shareholders' Association**

Article 10 : The Shareholders' meeting is divided into general meeting and temporary meeting. The general meeting is held once a year and is held within six months after the end of each fiscal year. The temporary meeting is held according to law when necessary. The convening regulations are handled in accordance with relevant laws and regulations. The Shareholders' meeting may be held by video conference or other methods announced by the competent authority.

Article 11 : In case a shareholder is unable to attend a shareholders' meeting, he or she may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy. The written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting.

When the Company holds a Shareholders' meeting, it shall exercise its voting rights in writing or electronically. Shareholders who vote by electronic means shall be deemed to be present in person. According to the regulations of the Act.

Article 12 : The Company shareholders have one vote per share, but none of the parties to the

provisions of Article 179 of the Company Act have the right to vote.

Article 13 : Resolutions of Shareholders' meeting, unless otherwise provided by the Act, shall be attended by shareholders representing more than half of the total number of issued shares, subject to the consent of a majority of shareholder's voting rights.

Article 13-1: Resolutions of Shareholders' meeting shall be made as Minutes of Meeting, signed or sealed by Chairman and distributed to Minutes of Meeting within 20 days after the meeting. The minutes' production can be made electronically and distributed by the announcement. They shall be kept forever during the existence of the company.

Article 13-2: When the company wishes to cancel the public offering of shares, it must have obtained approval from the Board of Directors, and shareholder's attendance on behalf of the holders of shareholder's voting rights by attending Shareholders' meeting on behalf of more than two-thirds of the total number of issued shares. If the total number of shares attending the shareholder is less than the above-mentioned quota, the majority of shareholders who have represented the total number of issued shares can attend the meeting and agree to share more than two-thirds of the voting rights of the shareholder. During the period of development and listing (cabinet), this clause does not change.

#### **Chapter 4 Directors and audit committee**

Article 14 : The Company shall have 5 to 9 directors. The term of office of directors is three years after which they will be eligible for re-election and re-appointment. The election of the directors shall nominate a nominee system for election, which shall be selected by Shareholders' meeting on the list of candidates. When the term of director expires but not re-election, he will extend his executive duties until the reappointment of directors to take office, and the proportion of shares held by all directors will be handled according to the regulations of the securities regulatory authority.

In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.

The nomination, selection method and related treatment of the Company directors shall be handled in accordance with the Company's "Directors Election Procedures" and related regulations.

In the Company directors quota, the number of independent directors must not be less than three and not less than one-third of directors' seats. Independent director adopts the nomination system for candidates, which is selected by shareholders on the list of independent directors candidates. The professional qualifications of the independent director, shareholding, part-time restrictions, nomination and selection methods, and other matters to be followed are handled in accordance with the relevant regulations of the competent authority.

Article 14-1: The Company has been authorized by the Board of Directors for the purchase of liability insurance, the amount of insurance and the insurance coverage of the director's liability for the scope of its business operations within the director's term of office.

Article 14-2: The Company establishes an audit committee in accordance with Article 14-4 of the Securities and Exchange Act and consists of all independent directors. Regarding the number of audit committees, terms of office, powers, Procedures, and other matters, according to the relevant provisions of the "Public Issuing Company Audit Committee to exercise powers," the provisions of the audit committee organizational rules set.

Article 14-3: The Company's Board of Directors has a payroll commission or other functional committee due to business operations.

Article 14-4: The Company Board of Directors should be held at least quarterly. The convocation of the Board of Directors shall set forth the reasons for notifying the directors seven days before, but may be called upon at any time in the event of an emergency. The Company Board of Directors is called up in writing, fax or e-mail.

When directors cannot attend the Board of Directors for any reason, they shall draw a power of attorney, and shall appoint the scope of authorization for the cause of the commission to appoint other directors to attend.

The above agent is subject to the entrustment of one person.

When the Board of Directors was convened, the videoconferencing meeting was made available to them. Directors participating in the videoconferencing were regarded as attending in person.

The resolution of the Board of Directors, with the exception of the Company Act, the Mergers and Acquisitions Act or other laws and regulations, takes the majority of directors' presence and consents to the majority of directors present.

Article 15: The Board of Directors is organized by directors, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman of the board of directors shall represent the Company in external matters.

Article 16: The Board of Directors, except as otherwise required by the Company Act, is called by the directors. When a director takes leave or fails to exercise his authority for any reason, his agent shall handle it according to Article 208 of the Company Act.

Article 16-1: The remuneration of all directors, the company has to pay remuneration, and its remuneration authorizes Board of Directors to refer to the recommendations of the Compensation Committee and to the value of its participation in, and contribution to, the company's operations, and to reference the usual levels of the industry.

## **Chapter 5 Managers and staff**

Article 17: The Company can be established as a manager. Its appointment, dismissal and remuneration are governed by Article 9 of the Company Act.

Article 18: The Company has been resolved by the Board of Directors to hire consultants or key staff.

## **Chapter 6 Accounting**

Article 19: After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance. (I) Business Report; (II) Financial Statements; (III) Proposals of profit distribution or losses.

Article 19-1: If the company is profitable for the year, it should retain the amount of accumulated losses before tax. The net profit before tax of not including dispatched employees' and directors' remuneration shall be no less than 3% for employee remuneration, and then set not more than five percent for directors.

Employee and directors remuneration are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting.

Employee remuneration shall be distributed in stocks or in cash. The payment shall apply to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Board of Directors.

Article 20: The Company may distribute earnings or make up for losses after the end of each semi-annual fiscal period. If there is any surplus at the end of each semi-annual fiscal period,

the Company shall first estimate and retain the taxable contributions, make up for losses, estimate and retain compensation to employees and directors, and set aside the legal reserve, except when the legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or regulations prescribed by the competent authority. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous semi-accounting year, which shall be resolved by the shareholders' meeting if the earnings are to be distributed by issuing new shares. Which shall be resolved by the board of directors if the earnings are to be distributed in cash.

When allocating the net profits for each fiscal year, the Company shall first offset its accumulated losses and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve equals the total paid-in capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations. If there is any unappropriated earnings from prior years, the Board of Directors shall prepare a proposal for the distribution of earnings, which shall be resolved by the shareholders' meeting if the distribution is to be made by issuing new shares.

The Company policy of dividend distribution shall be based on the company's current and future investment environment, capital needs, financial structure, surplus situation, and balance of dividends. The amount of dividends distributed to shareholders shall be no less than 10% of distributable earnings for the year. Dividends to shareholders of the company shall be distributed in the form of cash or shares, provided that the proportion of cash dividends distributed shall not be less than 10% of the total dividends. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends.

Article 20-1: The company may authorize the distributable dividends and bonuses, capital surplus reserve and the legal surplus reserve in part or in whole, to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the latest shareholders' meeting without applying the resolution of the shareholders' meeting under the preceding article.

## **Chapter 7 Annex**

Article 21: All matters not specified in this charter are subject to the provisions of the Company Act.

Article 22: This Articles of Association was concluded on May 27, 1997

The first revision was made on June 28, 2000

The second revision was made on July 27, 2000

The third revision was made on December 10, 2000

The fourth revision was made on June 28, 2002

The fifth revision was made on December 10, 2002

The sixth revision was made on March 8, 2004

The seventh revision was made on June 28, 2004

The eighth revision was made on June 27, 2005.

The ninth revision was made on June 30, 2006

The tenth revision was made on June 1st, 2007

The eleventh revision was made on June 9, 2008  
The twelfth revision was made on March 2, 2009  
The thirteenth revision was made on August 12th, 2010  
The fourteenth revision was made on October 7th, 2011  
The fifteenth revision was made on February 26, 2013  
The sixteenth revision was made on June 30, 2014  
The seventeenth revision was made on August 21, 2014  
The eighteenth revision was made on May 27, 2015.  
The nineteenth revision was made on May 30, 2016  
The twentieth revision was made on December 5, 2016  
The twenty-first revision was made on May 22, 2017.  
The twenty-second revision was made on May 24, 2019.  
The twenty-third revision was made on May 21, 2020.  
The twenty-fourth revision was made on July 22, 2021.  
The twenty-fifth revision was made on May 24, 2022.

NOVA TECHNOLOGY CORPORATION

Chairman : Chin-Li Liang

### Shareholding of All Directors

1. The company's registered capital was NT\$500,000,000, paid-in capital was NT\$372,516,440, and the number of issued capital was 74,503,288 shares.
2. According to the public issuer's directors, the number of shares of the supervisor, and the inspection and implementation of Procedures Article 2(1) to (2) and the proviso of the proviso, the total number of shares held by the company's directors shall be calculated in accordance with paragraph 2, but if it is lower than the first maximum total number of shares, it shall be calculated in accordance with the maximum total number of shares in the first paragraph, that is not less than 15 percent of 60,000,000 shares. Based on this, the total number of shares held by the Company's total directors Should be 9,000,000shares; also the Company has elected independent director of four persons. According to the second item of the same law, the total number of directors of independent directors will be reduced to 80% according to the above-mentioned ratio of shareholdings. The number of statutory shares to be held is 7,200,000 shares, and the company has an audit committee. Therefore, there is no applicability of the statutory shares that should be held by the supervisor.
3. The record of the shareholder's meeting transfer cancellation date is cut off. The status of individual and all directors held by the shareholder list is as follows:

Title	Name	Number of shares held	Shareholding ratio
Chairman	Representative of ACTER CO., LTD: Chin-Li Liang	43,196,358	57.98%
Director	Representative of ACTER CO., LTD: Bi-Hui Wu		
Director	Representative of ACTER CO., LTD: Wei Ma		
Independent Director	Chih-Yi Chi	0	0%
Independent Director	Sheng-Yung Yang	0	0%
Independent Director	Cheng Li	0	0%
Independent Director	Hui-Yin Chiu	0	0%
Total shareholding by all directors		43,196,358	57.98%

**The other explanation**

1. The process of proposals raised by shareholders during this annual general meeting: :
  - (1) According to Article 172-1 of the Company Act, shareholders with more than 1% ownership interest are entitled to raise a maximum of one proposal less than 300 words to the Company, which will be addressed during the annual general meeting.
  - (2) This year's annual general meeting was open to shareholders' proposals from March 15 to March 25, 2024, and these dates have been published on the Market Observation Post System in compliance with the relevant regulations.
  - (3) The Company did not receive any proposals from shareholders.