

# 泰詠電子股份有限公司

## TOP UNION ELECTRONICS CORP.

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### Handbook for the 2025 Annual Meeting of Shareholders

Time: 9:00 a.m. on Friday, May 23th, 2025

Place: No. 480, Niupu East Road, Hsinchu City



**TOP UNION ELECTRONICS CORP.**  
Procedure for the 2025 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Items
4. Ratification Items
5. Discussion Items
6. Extraordinary Motions
7. Adjournment

# **TOP UNION ELECTRONICS CORP.**

## **Year 2025 Agenda of Annual Meeting of Shareholders**

**Meeting Type:** In-Person Annual Shareholders' Meeting

**Date & Time:** Friday, May 23, 2025, at 9:00 a.m.

**Location:** No. 480, Niupu East Road, Hsinchu City, Taiwan

- I. Call to Order
- II. Opening Remarks by the Chairperson
- III. Reporting Items
  - (I) Report on 2024 Allocation of Employee Compensation and Director Remuneration
  - (II) Report on 2024 Director Remuneration Received
  - (III) 2024 Business Report
  - (IV) 2024 Audit Committee Review Report
  - (V) Report on 2024 Cash Dividend Distribution from Earnings
- IV. Matters for Ratification
  - (I) Approval of the 2024 Business Report and Financial Statements
  - (II) Approval of the 2024 Earnings Distribution Plan
- V. Matters for Discussion
  - (I) Proposal to Capitalize 2024 Earnings and Issue New Shares
  - (II) Proposal to Amend the Articles of Incorporation
- VI. Extraordinary Motions
- VII. Adjournment

# Reporting Items

## **Item 1:** Report on 2024 Allocation of Employee Compensation and Director Remuneration

### **Explanation:**

1. Pursuant to Article 20 of the Company's Articles of Incorporation, when the Company reports annual profits, 6% of the profit shall be allocated to employee compensation, and no more than 2.3% to director remuneration.
2. As proposed and approved by the 6th meeting of the 5th Compensation Committee, the Company plans to allocate NT\$31,318,281 (6% of profit) for employee compensation and NT\$12,005,341 (2.3%) for director remuneration.
3. Director remuneration will be distributed entirely in cash. For employee compensation, NT\$23,488,711 will be paid in cash, and NT\$7,829,570 will be issued in the form of new shares. The number of new shares to be issued is based on the closing price of NT\$33.05 on February 26 (the day prior to the board resolution), resulting in a total issuance of 236,900 shares. Any fractional shares will be paid in cash at NT\$25 per share.

## **Item 2:** Report on 2024 Director Remuneration Received

### **Explanation:**

1. Director compensation is primarily based on the Company's after-tax profit performance. Other items such as fixed remuneration, business-related expenses, and compensation for directors concurrently serving as employees are generally fixed in nature.
2. For detailed information on the compensation structure, including policies, individual compensation items, and amounts, please refer to page 8 (Attachment III) of this handbook for details.

## **Item 3:** 2024 Business Report

### **Explanation:**

For the 2024 Business Report, please refer to page 6 (Attachment I) of this handbook for details.

## **Item 4:** 2024 Audit Committee Review Report

### **Explanation:**

For the 2024 Audit Committee Review Report, please refer to page 7 (Attachment II) of this handbook for details

## **Item 5:** Report on 2024 Cash Dividend Distribution from Earnings

### **Explanation:**

1. Pursuant to Article 21-2 of the Company's Articles of Incorporation and Article 240, Paragraph 5 of the Company Act, the Board of Directors, with the attendance of at least two-thirds of all directors and approval by a majority of those present, is authorized to distribute dividends and bonuses, or all or part of the legal reserve and capital surplus under Article 241, Paragraph 1, in the form of cash. Such distributions shall be reported to the shareholders' meeting.
2. A total of NT\$258,837,195 was allocated for shareholder dividends, with a cash dividend of NT\$1.785 per share.

# Matters for Ratification

## Item 1: Approval of the 2024 Business Report and Financial Statements

(Proposed by the Board)

### Explanation:

1. The Company's 2024 Business Report and Financial Statements were approved by the Board of Directors on February 27, 2025, and have been reviewed and concluded by the Audit Committee.
2. For the aforementioned Business Report and Financial Statements, please refer to page 6 (Attachment I) and pages 9–29 (Attachment IV–V) of this handbook.

### Resolution:

## Item 2: Approval of the 2024 Earnings Distribution Plan

(Proposed by the Board)

### Explanation:

The Company's net income after tax for fiscal year 2024 totaled NT\$380,579,789. Taking into account long-term capital planning and liquidity requirements, the Board has resolved to distribute earnings in accordance with the Articles of Incorporation as follows:

1. Appropriate NT\$38,478,775 to the statutory earnings reserve.
2. Based on the number of shares outstanding as of the Board resolution date, a total of NT\$345,116,265 will be distributed to shareholders as dividends. This includes NT\$86,279,070 in stock dividends and NT\$258,837,195 in cash dividends. The stock dividend ratio is 25%, equivalent to 59.5 shares per 1,000 shares (based on a par value of NT\$10 per share). The cash dividend ratio is 75%, or NT\$1.785 per share.
3. If the number of outstanding shares changes prior to the ex-dividend date, affecting the distribution ratios, the Board of Directors is authorized to adjust the shareholder entitlements based on the shareholding recorded on the ex-dividend date.
4. Cash dividends will be rounded down to the nearest NT dollar. Any remaining fractional amounts below NT\$1 will be treated as other income of the Company.
5. This earnings distribution plan is submitted to the shareholders' meeting for acknowledgment, and the Chairman is authorized to determine the ex-dividend date and handle related matters.

## TOP UNION ELECTRONICS CORP. Profits Distribution 2024

Unit: NT\$

Items	Value	Distributable items		Distribution principle
		Stock	Cash	
Unappropriated retained earnings of prior years	103,088,404			
Plus: 2024 net profit	380,579,789			
Plus: Reevaluation number of the welfare plan.	4,207,961			
Minus: appropriate legal reverse	(38,478,775)			
Distributable net profit of current year	346,308,975			
Distributable net profit of current period	449,397,379			
Distributed item: Dividend to shareholders	345,116,265	86,279,070	258,837,195	Stock: 59.5 shares/thousand shares Cash: NT\$1,785/thousand shares
Unappropriated retained earnings	104,281,114			

### Resolution:

## Matters for Discussion

### Item 1: Proposal to Capitalize 2024 Earnings and Issue New Shares (Proposed by the Board)

#### Explanation:

1. Capital increase from earnings:
  - (1) It is proposed that NT\$86,279,070 of shareholder dividends from 2024 earnings be converted into capital for the issuance of 8,627,907 new shares at a par value of NT\$10 per share. Shareholders will receive 59.5 bonus shares per 1,000 shares held.
  - (2) Should any changes in the Company's share capital affect the number of outstanding shares and thus alter the allotment ratio, the shareholders are requested to authorize the Board of Directors with full discretion to handle such matters. The Board shall also be authorized to determine the record date for the capital increase following shareholders' approval.
2. Treatment of Fractional Shares: Fractional shares not reaching one full share may be combined by shareholders within five days after the book closure date by registering with the Company's stock transfer agent. Uncombined or remaining fractional shares will be paid in cash (rounded down to the nearest NT dollar). Such remaining shares may be subscribed at par value by designated individuals authorized by the Chairman. For shareholders opting for book-entry distribution, any fractional share amounts will be used to cover the relevant processing fees.
3. The rights and obligations of the newly issued shares shall be identical to those of existing shares. Upon approval by the shareholders' meeting and the competent authority, the Board will separately set the allotment record date. Should any amendments be required in accordance with regulatory authority feedback, the Board is authorized to make all necessary adjustments.

#### Resolution:

### Item 2: Proposal to Amend the Articles of Incorporation (Proposed by the Board)

#### Explanation:

In accordance with the Financial Supervisory Commission's directive (Ref. No. Jin-Guan-Zheng-Fa-1130385442 dated November 8, 2024), concerning adjustments to the allocation of employee compensation from annual earnings, relevant amendments to the Articles of Incorporation have been proposed. Please refer to the comparison table on page 31 (Appendix 6) of this manual for details.

#### Resolution:

## Extraordinary Motions

## Adjournment

# Attachment I

## TOP UNION ELECTRONICS CORP. Business Report

In 2024, Taiyong Electronics recorded annual revenue of NT\$3.27 billion, representing a 10.7% decline compared to 2023. Despite the revenue downturn, net profit after tax surged by 28.2%, achieving a record high of NT\$380 million.

In the past, management was defined by standards, benchmarking, expectations, and performance evaluations. Today, however, it often lacks rationality and accountability, becoming a unilateral exercise of authority. Courage without strategy may bring chaos tomorrow and harm in the days to come. In a democracy lacking true democratic practice, in a nation where integrity is questionable, enterprises find themselves navigating uncertainty with caution and concern. Only through greater transparency, openness, and adaptive strategies can we secure sustainable profitability.

Despite the revenue decline in 2024, the Company has made modest yet meaningful progress in enhancing our service capabilities. As markets grow increasingly dynamic and are further complicated by escalating, unchecked geopolitical tensions, are reactive measures truly the most effective strategy? At Taiyong, we believe that sustainable operations must not be driven by haste or speculation. Instead, we remain committed to steady, principle-based management. Our goal is to earn capability, win customers, and build long-term, resilient strength—and profit.

In 2024, the Company's performance—both in revenue and profit—was once again primarily driven by our Taiwan operations. Meanwhile, our Shanghai and Suzhou facilities continued to face headwinds from escalating U.S.-China trade tensions and a sluggish economy, resulting in ongoing revenue decline. Adapting to these realities through localized market strategies and operational restructuring is no longer optional—it's urgent and necessary.

Looking ahead, 2025 is poised to be a year of extraordinary upheaval. What initially feels shocking will soon become the norm, as shifting geopolitical dynamics redefine the foundations of global trade and alliances. In such unpredictable times, traditional production and sales models are being disrupted by tariff barriers, dealing real blows to both the economy and everyday life. With inflation and rising interest rates, there are no winners—only survivors. In this landscape, the Company remains committed to serving premium clients with strong fundamentals and high adaptability. By continually breaking through barriers and pressing forward despite challenges, we aim to chart new ground and achieve meaningful progress.

As another spring arrives, we take comfort in seeing our efforts take root and bear fruit. We sincerely thank you for your trust and continued support of Taiyong Electronics. Guided by our unwavering belief in integrity and service, we will continue to deliver professional excellence and capability, striving to serve more exceptional clients and translate our efforts into tangible business results. Once again, and always—thank you.

Sincerely,  
Chairman: Vincent Tsuei  
Manager: James Wang  
Accounting supervisor: Vicky Chou

## **Attachment II**

### **TOP UNION ELECTRONICS CORP. Audit Committee Audit Reports**

The board of directors submit the Business Report, Financial Statements and Proposal of Profits Distribution of the Company for the year 2024; Among them, the company's Financial Statements were audited by Deloitte Touche Tohmatsu Limited, and the audit report has been issued.

The above Business Report, Financial Statements, and Proposal of Profits Distribution have been reviewed by the Audit Committee and found to be consistent. Please check and approve the above reports in accordance with the relevant provisions of the Securities Exchange Law and the Company Act.

Sincerely,

Top Union Electronics Corp.

Convenor of Audit Committee: Yan, Wei-Qun

February 27th, 2025

## Attachment III: Information on Directors' Remuneration

Unit: NT\$ thousands

Unit: NT\$ thousands																						
Position	Name	Directors' Compensation								Total of Items A–D and Their Percentage of Net Income After Tax		Additional Compensation for Concurrent Employee Role								Total of Items A–G and Their Percentage of Net Income After Tax		Compensation from Non-Subsidiary Affiliates or Parent Company
		Remuneration (A)		Retirement Benefits (B)		Directors' Fees (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Allowances (E)		Retirement/Severance Payment (F)		Employee Compensation (G)						
		The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report			
		Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	
Chairman	Vincent Tsuei	600	600	0	0	1,091	1,091	40	40	1,731 0.45%	1,731 0.45%	6,615	6,971	0	0	1,660	553	1,660	553	10,559 2.77%	10,915 2.87%	0
Director	Omnico International Ltd. Po-Hsiang Liao	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0
Director	Chengzhong Investment Co., Ltd. Hsin-Ming Kao	0	0	0	0	1,091	1,091	25	25	1,116 0.29%	1,116 0.29%	0	0	0	0	0	0	0	0	1,116 0.29%	1,116 0.29%	0
Director	Yung-Shun Chuang	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0
Director	Ying-Chuan Sung	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0
Director	Chin-Tsai Lin	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0
Director	Cheng-Feng Wang	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	5,321	5,537	0	0	1,992	664	1,992	664	9,098 2.39%	9,314 2.45%	0
Independent Director	Ching-Ho Lee	0	0	0	0	1,091	1,091	65	65	1,156 0.30%	1,156 0.30%	0	0	0	0	0	0	0	0	1,156 0.30%	1,156 0.30%	0
Independent Director	Wei-Chun Yen	0	0	0	0	1,091	1,091	75	75	1,166 0.31%	1,166 0.31%	0	0	0	0	0	0	0	0	1,166 0.31%	1,166 0.31%	0
Independent Director	Hsu-Nan Huang	0	0	0	0	1,091	1,091	75	75	1,166 0.31%	1,166 0.31%	0	0	0	0	0	0	0	0	1,166 0.31%	1,166 0.31%	0
Independent Director	Chang-Mou Yang	0	0	0	0	1,091	1,091	75	75	1,166 0.31%	1,166 0.31%	0	0	0	0	0	0	0	0	1,166 0.31%	1,166 0.31%	0
<div>1. Please outline the company's policy, framework, standards, and structure for compensating independent directors. Also, explain how remuneration levels are linked to the nature of their duties, level of risk assumed, and the amount of time devoted: Director compensation is primarily determined based on the company's after-tax profit performance. Other forms of remuneration—such as business execution expenses and compensation for directors concurrently holding employee positions—are predominantly fixed and not performance-based.</div> <div>2. In addition to the amounts disclosed in the table above, the company confirms that no directors received any additional compensation in the most recent fiscal year for providing services (e.g., acting as consultants to the parent company, entities covered in the financial statements, or investee companies, in a non-employee capacity): None.</div>																						

## **Attachment IV: 2024 Individual Financial Statements and Audit Reports**

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of Top Union Electronics Corp.

#### **Opinion**

We have audited the accompanying parent company only financial statements of Top Union Electronics Corp. (hereinafter referred to as the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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 accompanying parent company only financial position of the Company as of December 31, 2024 and 2023, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

#### Revenue Recognition

The net operating revenue of the Company for the year ended December 31, 2024 is in the amount of NT\$3,091,521 thousand, the revenue of which majorly depends on the business of PCB Assembly and Manufacturing, etc., bringing the significant effect on the parent company only financial statements. Please refer to Notes 4 and 19 to the parent company only financial statements for the relevant accounting policies and information on revenue recognition.

The Company's sales businesses are concentrated on the major customers. As there is risk in the authenticity of revenue recognition for the sales revenue from customers with specific growth compared with the revenue in 2023, revenue recognition has been listed as the key audit matter of the year.

We performed the following key audit procedures in respect of the above key audit matter:

1. Understand and examine the major internal control design on the process related to sales revenue and the execution effectiveness thereof.
2. Sample from the sales revenue list, check over the original orders, the signed delivery receipt or export declaration and Taiwan uniform invoice or commercial invoice, and verify the correspondence between the remittance proof slip reflecting to the actual amount received and the amount recognized on the revenue; for those whose accounts payable have not been received, check whether the relevant documents of the accounts are within the credit period.

#### **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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shin-Tong Lin and Ming-Hui Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
February 27, 2025

Financial-Supervisory-Securities-Auditing-1110348898

Taiwan-Finance-Securities-VI-0930128050

**TOP UNION ELECTRONICS CORP.**

**PARENT COMPANY ONLY BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 4, 6 and 24)	\$ 557,018	16	\$ 929,335	28
Financial assets at amortized cost (Note 4, 7 and 24)	740,487	21	84,746	3
Accounts receivable, net (Note 4, 5, 8, 19 and 24)	347,511	10	288,813	9
Receivables from related parties (Notes 4, 5, 24 and 25)	29	-	34,317	1
Inventories (Note 4, 5 and 9)	658,637	18	719,534	22
Other current assets (Note 14)	<u>104,896</u>	<u>3</u>	<u>70,267</u>	<u>2</u>
Total current assets	<u>2,408,578</u>	<u>68</u>	<u>2,127,012</u>	<u>65</u>
<b>NONCURRENT ASSETS</b>				
Financial assets at amortized cost (Note 4 and 10)	612,381	17	613,942	18
Property, plant and equipment (Note 4, 11 and 26)	486,980	14	520,060	16
Right-of-use assets (Note 4 and 12)	16,780	1	23,616	1
Intangible assets (Note 4 and 13)	972	-	2,995	-
Deferred income tax assets (Note 4 and 21)	5,953	-	7,730	-
Prepayments for equipment	325	-	-	-
Refundable deposits (Note 4 and 24)	<u>1,063</u>	<u>-</u>	<u>1,063</u>	<u>-</u>
Total noncurrent assets	<u>1,124,454</u>	<u>32</u>	<u>1,169,406</u>	<u>35</u>
<b>TOTAL</b>	<u>\$ 3,533,032</u>	<u>100</u>	<u>\$ 3,296,418</u>	<u>100</u>

LIABILITIES AND EQUITY	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
CURRENT LIABILITIES (Note 4, 15, 24 and 27)	\$ 30,000	1	\$ 100,000	3
Contract liabilities (Note 4, 19)	185,317	5	149,124	5
Accounts payable (Note 24)	442,316	13	372,208	11
Payables to related parties (Notes 24 and 25)	17,324	-	18,227	1
Accrued profit sharing bonus to employees and compensation to directors (Note 20)	46,861	1	35,378	1
Income tax payable (Note 4 and 21)	57,027	2	44,924	1
Lease liabilities (Note 4, 12 and 24)	6,877	-	6,774	-
Other payables and other current liabilities (Note 16 and 24)	<u>133,401</u>	<u>4</u>	<u>142,646</u>	<u>4</u>
Total current liabilities	<u>919,123</u>	<u>26</u>	<u>869,281</u>	<u>26</u>
<b>NONCURRENT LIABILITIES</b>				
Deferred income tax liabilities (Note 4 and 21)	17,602	1	17,050	1
Lease liabilities (Notes 4, 12 and 24)	10,196	-	17,073	1
Net defined benefit liability (Note 4 and 17)	7,565	-	8,808	-
Guarantee deposits (Note 24)	<u>73,773</u>	<u>2</u>	<u>81,422</u>	<u>2</u>
Total non-current liabilities	<u>109,136</u>	<u>3</u>	<u>124,353</u>	<u>4</u>
<b>Total liabilities</b>	<u>1,028,259</u>	<u>29</u>	<u>993,634</u>	<u>30</u>
<b>EQUITY (Note 4, 18 and 22)</b>				
Capital stock				
Common stock	<u>1,450,067</u>	<u>41</u>	<u>1,382,333</u>	<u>42</u>
Capital surplus	<u>257,983</u>	<u>7</u>	<u>257,983</u>	<u>8</u>
Retained earnings				
Appropriated as legal capital reserve	262,084	7	231,475	7
Unappropriated earnings	<u>487,877</u>	<u>14</u>	<u>404,635</u>	<u>12</u>
Total retained earnings	<u>749,961</u>	<u>21</u>	<u>636,110</u>	<u>19</u>
Others	<u>46,762</u>	<u>2</u>	<u>26,358</u>	<u>1</u>
Total equity	<u>2,504,773</u>	<u>71</u>	<u>2,302,784</u>	<u>70</u>
<b>TOTAL</b>	<u>\$ 3,533,032</u>	<u>100</u>	<u>\$ 3,296,418</u>	<u>100</u>

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

(With Deloitte & Touche review report dated February 27, 2025)

# TOP UNION ELECTRONICS CORP.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

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

	Years Ended December 31			
	2024		2023	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 19 and 29)	\$ 3,091,521	100	\$ 3,461,767	100
COST OF REVENUE (Notes 4, 9, 17 , 20 and 25)	<u>2,497,817</u>	<u>81</u>	<u>2,942,847</u>	<u>85</u>
GROSS PROFIT	593,704	19	518,920	15
REALIZED (UNREALIZED) GAIN (LOSS) FROM AFFILIATE ACCOUNTS	( <u>380</u> )	-	<u>856</u>	-
REALIZED GROSS PROFIT	<u>593,324</u>	<u>19</u>	<u>519,776</u>	<u>15</u>
OPERATING EXPENSES (Notes 4, 8, 17 and 20)				
Selling and marketing	33,444	1	31,232	1
General and administrative	96,276	3	96,646	3
Research and development	25,077	1	22,469	-
Gains on reversal of expected credit impairment losses	<u>-</u>	<u>-</u>	( <u>4,582</u> )	<u>-</u>
Total operating expenses	<u>154,797</u>	<u>5</u>	<u>145,765</u>	<u>4</u>
INCOME FROM OPERATIONS	<u>438,527</u>	<u>14</u>	<u>374,011</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	22,783	1	21,956	1
Other income	1,157	-	1,142	-
Other gains and losses, net	39,094	1	8,519	-
Finance costs	( 1,328 )	-	( 1,540 )	-
Share of profit (loss) of subsidiaries accounted for using equity method	( <u>21,585</u> )	( <u>1</u> )	( <u>24,703</u> )	( <u>1</u> )
Total non-operating income and expenses	<u>40,121</u>	<u>1</u>	<u>5,374</u>	<u>-</u>

(Continued)

	Years Ended December 31			
	2024		2023	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 478,648	15	\$ 379,385	11
INCOME TAX EXPENSE (Notes 4 and 21)	<u>98,068</u>	<u>3</u>	<u>82,646</u>	<u>2</u>
NET INCOME	<u>380,580</u>	<u>12</u>	<u>296,739</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 17 and 18)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	4,208	-	9,356	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	<u>20,404</u>	<u>1</u>	( <u>11,245</u> )	<u>-</u>
Other comprehensive income, net of income tax	<u>24,612</u>	<u>1</u>	( <u>1,889</u> )	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 405,192</u>	<u>13</u>	<u>\$ 294,850</u>	<u>9</u>
EARNINGS PER SHARE (NT\$, Note 22)				
Basic earnings per share	<u>\$ 2.62</u>		<u>\$ 2.05</u>	
Diluted earnings per share	<u>\$ 2.61</u>		<u>\$ 2.03</u>	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated February 27, 2025)

**TOP UNION ELECTRONICS CORP.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

	Capital Stock – Common Stock		Capital Surplus	Retained Earnings		Others	Total
	Shares (In Thousands)	Amount		Legal Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	
BALANCE, JANUARY 1, 2023	123,423	\$ 1,234,226	\$ 257,983	\$ 198,419	\$ 427,810	\$ 37,603	\$ 2,156,041
Appropriations of earnings							
Legal capital reserve	-	-	-	33,056	( 33,056)	-	-
Cash dividends to shareholders	-	-	-	-	( 148,107)	-	( 148,107)
Stock dividends to shareholders	14,810	148,107	-	-	( 148,107)	-	-
Net income in 2023	-	-	-	-	296,739	-	296,739
Other comprehensive income in 2023, net of income tax	-	-	-	-	9,356	( 11,245)	( 1,889)
Total comprehensive income in 2023	-	-	-	-	306,095	( 11,245)	294,850
BALANCE, DECEMBER 31, 2023	138,233	1,382,333	257,983	231,475	404,635	26,358	2,302,784
Appropriations of earnings							
Legal capital reserve	-	-	-	30,609	( 30,609)	-	-
Cash dividends to shareholders	-	-	-	-	( 203,203)	-	( 203,203)
Stock dividends to shareholders	6,774	67,734	-	-	( 67,734)	-	-
Net income in 2024	-	-	-	-	380,580	-	380,580
Other comprehensive income in 2024, net of income tax	-	-	-	-	4,208	20,404	24,612
Total comprehensive income in 2024	-	-	-	-	384,788	20,404	405,192
BALANCE, DECEMBER 31, 2024	<u>145,007</u>	<u>\$ 1,450,067</u>	<u>\$ 257,983</u>	<u>\$ 262,084</u>	<u>\$ 487,877</u>	<u>\$ 46,762</u>	<u>\$ 2,504,773</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated February 27, 2025)

# TOP UNION ELECTRONICS CORP.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 478,648	\$ 379,385
Adjustments for:		
Depreciation expense	84,151	84,115
Amortization expense	2,023	2,303
Gains on reversal of expected credit impairment losses	-	( 4,582 )
Finance costs	1,328	1,540
Interest income	( 22,783 )	( 21,956 )
Share of loss (gain) of subsidiaries accounted for using equity method	21,585	24,703
Loss (gain) on disposal of property, plant and equipment, net	( 243 )	( 4,608 )
Loss for market price decline and obsolete and slow-moving inventories (reversal gain)	( 14,959 )	( 6,028 )
Unrealized (realized) gain from inter-affiliate accounts	380	( 856 )
Loss (gain) on foreign exchange, net	( 507 )	( 6,795 )
Changes in operating assets and liabilities		
Accounts receivable	( 55,049 )	1,670
Receivables from related parties	34,288	( 27,755 )
Inventories	75,856	398,133
Other current assets	( 34,372 )	( 39,683 )
Contract liabilities	36,193	( 18,219 )
Accounts payable	63,775	( 90,370 )
Payables to related parties	( 903 )	( 25,548 )
Accrued profit sharing bonus to employees and compensation to directors	11,483	( 1,410 )
Other payables and other current liabilities	( 9,280 )	39,509
Net defined benefit liability	<u>2,965</u>	<u>4,643</u>
Cash generated from operations	674,579	688,191
Interest paid	22,526	21,069
Interest received	( 1,378 )	( 1,514 )
Income taxes paid	( <u>83,636</u> )	( <u>86,502</u> )
Net cash generated by operating activities	<u>612,091</u>	<u>621,244</u>

(Continued)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(\$ 766,794)	(\$ 84,746)
Disposal of financial assets at amortized cost	116,794	80,013
Property, plant and equipment	( 44,304)	( 146,243)
Proceeds from disposal of property, plant and equipment	312	4,969
Refundable deposits paid	-	( 163)
Increase in prepayments for equipment	( 325)	-
Acquisition of intangible assets	-	( 699)
Net cash used in investing activities	( 694,317)	( 146,869)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	195,000	255,000
Decrease in short-term loans	( 265,000)	( 213,000)
Proceeds from guarantee deposits received	22,505	49,968
Decrease in guarantee deposits received	( 30,154)	-
Repayment of the principal portion of lease liabilities	( 6,689)	( 6,535)
Cash dividends	( 203,203)	( 148,107)
Net cash used in financing activities	( 287,541)	( 62,674)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	( 2,550)	8,500
NET INCREASE IN CASH AND CASH EQUIVALENTS	( 372,317)	420,201
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	929,335	509,134
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 557,018	\$ 929,335

(Concluded)

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

# **Attachment V: 2024 Consolidated Financial Statements and Audit Reports**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of Top Union Electronics Corp.

### **Opinion**

We have audited the accompanying consolidated financial statements of Top Union Electronics Corp. and its subsidiaries (hereinafter referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

#### **Revenue Recognition**

The net operating revenue of the Company for the year ended December 31, 2024 is in the amount of NT\$3,269,827 thousand, the revenue of which majorly depends on the business of PCB Assembly and Manufacturing, etc., bringing the significant effect on the consolidated financial statements. Please refer to Notes 4 and 19 to the consolidated financial statements for the relevant accounting policies and information on revenue recognition.

The Company's sales businesses are concentrated on the major customers. As there is risk in the authenticity of revenue recognition for the sales revenue from customers with specific growth compared with the revenue in 2023, revenue recognition has been listed as the key audit matter of the year.

We performed the following key audit procedures in respect of the above key audit matter:

1. Understand and examine the major internal control design on the process related to sales revenue and the execution effectiveness thereof.
2. Sample from the sales revenue list, check over the original orders, the signed delivery receipt or export declaration and Taiwan uniform invoice or commercial invoice, and verify the correspondence between the remittance proof slip reflecting to the actual amount received and the amount recognized on the revenue; for those whose accounts payable have not been received, check whether the relevant documents of the accounts are within the credit period.

#### **Other Matter**

We have also audited the parent company only financial statements of Top Union Electronics Corp. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unqualified 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shin-Tong Lin and Ming-Hui Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
February 27, 2025

Financial-Supervisory-Securities-Auditing-1110348898

Taiwan-Finance-Securities-VI-0930128050

**TOP UNION ELECTRONICS CORP. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6 and 24)	\$ 634,676	18	\$ 999,529	30
Financial assets at amortized cost (Note 7, 24 and 26)	977,421	27	264,524	8
Notes receivable, net (Note 4, 8 and 24)	5,420	-	14,857	-
Accounts receivable, net  (Note 4, 5, 8, 19 and 24)	418,680	12	377,955	11
Current income tax assets (Notes 21)	175	-	394	-
Inventories (Note 4, 5 and 9)	671,347	19	733,246	22
Other current assets (Note 14)	<u>120,540</u>	<u>3</u>	<u>88,578</u>	<u>3</u>
Total current assets	<u>2,828,259</u>	<u>79</u>	<u>2,479,083</u>	<u>74</u>
<b>NONCURRENT ASSETS</b>				
Financial assets at amortized cost (Note 4, 7 and 24)	129,862	4	187,143	6
Property, plant and equipment (Note 4, 11, 26 and 29)	563,885	16	607,919	18
Right-of-use assets (Note 4, 12 and 29)	35,962	1	43,030	2
Intangible assets (Note 4, 13 and 29)	1,002	-	3,087	-
Deferred income tax assets (Note 4 and 21)	6,032	-	7,844	-
Prepayments for equipment (Note 29)	325	-	-	-
Refundable deposits (Note 4 and 24)	<u>5,498</u>	<u>-</u>	<u>5,530</u>	<u>-</u>
Total noncurrent assets	<u>742,566</u>	<u>21</u>	<u>854,553</u>	<u>26</u>
<b>TOTAL</b>	<u>\$ 3,570,825</u>	<u>100</u>	<u>\$ 3,333,636</u>	<u>100</u>

LIABILITIES AND EQUITY	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 4, 15, 24 and 26)	\$ 30,000	1	\$ 100,000	3
Contract liabilities (Note 4, 19)	188,282	5	151,426	5
Accounts payable (Note 24)	454,136	13	384,936	12
Accrued profit sharing bonus to employees and compensation to directors (Note 20)	46,861	1	35,378	1
Income tax payable (Note 4 and 21)	57,237	2	44,924	1
Lease liabilities (Note 4, 12 and 24)	24,355	1	15,399	-
Other payables and other current liabilities (Note 16 and 24)	<u>153,702</u>	<u>4</u>	<u>163,207</u>	<u>5</u>
Total current liabilities	<u>954,573</u>	<u>27</u>	<u>895,270</u>	<u>27</u>
<b>NONCURRENT LIABILITIES</b>				
Deferred income tax liabilities (Note 4 and 21)	17,602	1	17,050	1
Lease liabilities (Notes 4, 12 and 24)	12,539	-	28,302	1
Net defined benefit liability (Note 4 and 17)	7,565	-	8,808	-
Guarantee deposits (Note 24)	<u>73,773</u>	<u>2</u>	<u>81,422</u>	<u>2</u>
Total non-current liabilities	<u>111,479</u>	<u>3</u>	<u>135,582</u>	<u>4</u>
Total liabilities	<u>1,066,052</u>	<u>30</u>	<u>1,030,852</u>	<u>31</u>
<b>EQUITY (Note 4, 18 and 22)</b>				
Capital stock				
Common stock	<u>1,450,067</u>	<u>41</u>	<u>1,382,333</u>	<u>41</u>
Capital surplus	<u>257,983</u>	<u>7</u>	<u>257,983</u>	<u>8</u>
Retained earnings				
Appropriated as legal capital reserve	262,084	7	231,475	7
Unappropriated earnings	<u>487,877</u>	<u>14</u>	<u>404,635</u>	<u>12</u>
Total retained earnings	<u>749,961</u>	<u>21</u>	<u>636,110</u>	<u>19</u>
Others	<u>46,762</u>	<u>1</u>	<u>26,358</u>	<u>1</u>
Total equity	<u>2,504,773</u>	<u>70</u>	<u>2,302,784</u>	<u>69</u>
<b>TOTAL</b>	<u>\$ 3,570,825</u>	<u>100</u>	<u>\$ 3,333,636</u>	<u>100</u>

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

(With Deloitte & Touche review report dated February 27, 2025)

**TOP UNION ELECTRONICS CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

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

	Years Ended December 31			
	2024		2023	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 19 and 29)	\$ 3,269,827	100	\$ 3,660,315	100
COST OF REVENUE (Notes 4, 9, 17 and 20)	<u>2,652,144</u>	<u>81</u>	<u>3,110,327</u>	<u>85</u>
GROSS PROFIT	<u>617,683</u>	<u>19</u>	<u>549,988</u>	<u>15</u>
OPERATING EXPENSES (Notes 4, 8, 17 and 20)				
Selling and marketing	53,149	2	50,116	1
General and administrative	137,299	4	138,166	4
Research and development	25,396	1	22,770	-
Gains on reversal of expected credit impairment losses	<u>-</u>	<u>-</u>	<u>( 4,582 )</u>	<u>-</u>
Total operating expenses	<u>215,844</u>	<u>7</u>	<u>206,470</u>	<u>5</u>
INCOME FROM OPERATIONS	<u>401,839</u>	<u>12</u>	<u>343,518</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	32,725	1	32,384	1
Other income	1,157	-	1,142	-
Other gains and losses, net	46,852	1	13,116	-
Finance costs	<u>( 2,255 )</u>	<u>-</u>	<u>( 2,587 )</u>	<u>-</u>
Total non-operating income and expenses	<u>78,479</u>	<u>2</u>	<u>44,055</u>	<u>1</u>
INCOME BEFORE INCOME TAX	480,318	14	387,573	11
INCOME TAX EXPENSE (Notes 4 and 21)	<u>99,738</u>	<u>3</u>	<u>90,834</u>	<u>3</u>
NET INCOME	<u>380,580</u>	<u>11</u>	<u>296,739</u>	<u>8</u>

(Continued)

	Years Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE				
INCOME (Notes 4, 17 and 18)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	\$ 4,208	-	\$ 9,356	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	<u>20,404</u>	<u>1</u>	( <u>11,245</u> )	<u>-</u>
Other comprehensive income, net of income tax	<u>24,612</u>	<u>1</u>	( <u>1,889</u> )	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 405,192</u>	<u>12</u>	<u>\$ 294,850</u>	<u>8</u>
EARNINGS PER SHARE (NT\$, Note 22)				
Basic earnings per share	<u>\$ 2.62</u>		<u>\$ 2.05</u>	
Diluted earnings per share	<u>\$ 2.61</u>		<u>\$ 2.03</u>	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated February 27, 2025)

**TOP UNION ELECTRONICS CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

	Capital Stock – Common Stock		
	Shares	Amount	Capital Reserve
	(In Thousands)		
BALANCE, JANUARY 1, 2023	123,423	\$ 1,234,226	\$ 2,148,000
Appropriations of earnings			
Legal capital reserve	-	-	-
Cash dividends to shareholders	-	-	-
Stock dividends to shareholders	14,810	148,107	-
Net income in 2023	-	-	-
Other comprehensive income in 2023, net of income tax	-	-	-
Total comprehensive income in 2023	-	-	-
BALANCE, DECEMBER 31, 2023	138,233	1,382,333	2,148,000
Appropriations of earnings			
Legal capital reserve	-	-	-
Cash dividends to shareholders	-	-	-
Stock dividends to shareholders	6,774	67,734	-
Net income in 2024	-	-	-
Other comprehensive income in 2024, net of income tax	-	-	-
Total comprehensive income in 2024	-	-	-
BALANCE, DECEMBER 31, 2024	<u>145,007</u>	<u>\$ 1,450,067</u>	<u>\$ 2,148,000</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated February 27, 2025)

# TOP UNION ELECTRONICS CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 480,318	\$ 387,573
Adjustments for:		
Depreciation expense	125,413	127,555
Amortization expense	2,088	2,411
Gains on reversal of expected credit impairment losses	-	( 4,582 )
Finance costs	2,255	2,587
Interest income	( 32,725 )	( 32,384 )
Gain on disposal or retirement of property, plant and equipment, net	( 463 )	( 8,318 )
Property, plant and equipment transfer expenses	129	-
Loss for market price decline and obsolete and slow-moving inventories (reversal gain)	( 14,915 )	( 6,595 )
Loss (gain) on foreign exchange, net	( 1,411 )	( 7,237 )
Changes in operating assets and liabilities		
Notes receivable	9,437	162
Accounts receivable	( 36,993 )	( 35,477 )
Inventories	76,803	416,858
Other current assets	( 31,643 )	( 39,474 )
Contract liabilities	36,856	( 15,917 )
Accounts payable	63,078	( 96,546 )
Accrued profit sharing bonus to employees and compensation to directors	11,483	( 1,410 )
Other payables and other current liabilities	( 10,065 )	34,554
Net defined benefit liability	2,965	4,643
Cash generated from operations	682,610	728,403
Interest paid	32,406	27,106
Interest received	( 2,305 )	( 2,561 )
Income taxes paid	( 84,842 )	( 96,112 )
Net cash generated by operating activities	<u>627,869</u>	<u>656,836</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at amortized cost	( 921,068 )	( 309,739 )
Disposal of financial assets at amortized cost	283,955	167,794
Property, plant and equipment	( 54,407 )	( 157,937 )

(Continued)

	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 592	\$ 8,732
Refundable deposits paid	( 28 )	( 240 )
Refundable deposits refunded	216	72
Increase in prepayments for equipment	( 325 )	-
Acquisition of intangible assets	-	( 774 )
Net cash used in investing activities	<u>( 691,065 )</u>	<u>( 292,092 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	195,000	255,000
Decrease in short-term loans	( 265,000 )	( 213,000 )
Proceeds from guarantee deposits received	22,505	49,968
Decrease in guarantee deposits received	( 30,154 )	-
Repayment of the principal portion of lease liabilities	( 23,522 )	( 23,919 )
Cash dividends	( 203,203 )	( 148,107 )
Net cash used in financing activities	<u>( 304,374 )</u>	<u>( 80,058 )</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>2,717</u>	<u>21,595</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	( 364,853 )	306,281
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>999,529</u>	<u>693,248</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u>\$ 634,676</u>	<u>\$ 999,529</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated February 27, 2025)

## Attachment VI: Comparative Table of Amendments to the Articles of Incorporation

Original Provision	Amended Provision	Reason for Amendment
Chapter IV Directors and Supervisors	Chapter IV Directors and <u>Audit Committee</u>	The term "Supervisors" was removed following the elimination of the supervisory system. An Audit Committee has been established in its place; therefore, the chapter title was revised accordingly.
<p><b>Article 20</b></p> <p>In the event the Company generates profits for the fiscal year (defined as profits before tax, and prior to the deduction of employee remuneration and director compensation), 6% of the earnings shall be allocated to employee remuneration, with no more than 2.3% allocated to director compensation. If the Company has accumulated deficits (including adjustments to undistributed earnings), these deficits must be addressed first.</p> <p>Employee remuneration may be provided in either stock or cash, with recipients possibly including employees of subsidiaries who meet criteria set by the Board of Directors. Compensation for directors will be paid in cash only.</p> <p>The above allocations must be approved by the Board of Directors and reported to the shareholders' meeting.</p>	<p><b>Article 20</b></p> <p>In the event the Company generates profits for the fiscal year (defined as profits before tax, and prior to the deduction of employee remuneration and director compensation), 6% of the earnings shall be allocated to employee remuneration, with no more than 2.3% allocated to director compensation. If the Company has accumulated deficits (including adjustments to undistributed earnings), these deficits must be addressed first.</p> <p>Employee remuneration may be provided in either stock or cash, with recipients possibly including employees of subsidiaries who meet criteria set by the Board of Directors. <u>The allocation for lower-level employees must not be less than 10% of total employee remuneration.</u></p> <p>Compensation for directors will be paid in cash only.</p> <p>The above allocations must be approved by the Board of Directors and reported to the shareholders' meeting.</p>	This follows the amendment to Article 14, Section 6 of the Securities and Exchange Act.
<p><b>Article 24</b></p> <p>This Articles of Incorporation was established on January 23, 1990.</p> <p>The first amendment was made on August 25, 1990.</p> <p>The second amendment was made on December 7, 1990.</p> <p>The third amendment was made on June 22, 1991.</p> <p>(omitted)</p> <p>The twenty-fifth amendment was made on May 24, 2019.</p> <p>The twenty-sixth amendment was made on May 20, 2022.</p>	<p><b>Article 24</b></p> <p>This Articles of Incorporation was established on January 23, 1990.</p> <p>The first amendment was made on August 25, 1990.</p> <p>The second amendment was made on December 7, 1990.</p> <p>The third amendment was made on June 22, 1991.</p> <p>(omitted)</p> <p>The twenty-fifth amendment was made on May 24, 2019.</p> <p>The twenty-sixth amendment was made on May 20, 2022.</p> <p>The twenty-seventh amendment was made on May 23, 2025.</p>	This revision reflects the most recent amendments to the Articles.

# Appendix I: Corporate Charter

## Chapter 1 General Provisions

Article 1: The company is organized in accordance with the provisions of the Company Act, and named TOP UNION ELECTRONICS CORP.

Article 2: The business of the company:

- (1).CC01030 Manufacturing of electrical and audio-visual electronic products
- (2).CC01060 Manufacturing of wired communication machinery
- (3).CC01070 Manufacturing of wireless communication machinery
- (4).CC01080 Manufacturing of electronic component
- (5).CC01990 Manufacturing of other electrical and electronic machinery
- (6).F119010 Electronic materials wholesale
- (7).F219010 Electronic materials retail
- (8).F401010 International trade
- (9).I599990 Other design
- (10).CC01101 Manufacturing of radio frequency equipment for telecommunication control
- (11).ZZ99999 In addition to the permitted business, the business that is not prohibited or restricted by law can be operated

Article 3: The head office of the company is located in Hsinchu. If necessary, branches may be established at home and abroad by the resolution of the Board and with the consent of the competent authorities.

Article 4: The company can invest and guarantee externally, and is not subject to the restrictions stipulated in Article 13 of the Company Act that "the total investment shall not exceed 40% of the company's paid-in share capital". Any reinvestment matters shall be handled by resolution of the Board.

## Chapter 2 Shares

Article 5: The company's total capital is rated at NT\$1.8 billion, divided into 180 million shares with an amount of NT\$10 per share, to be issued in installments. Unissued shares will be issued by the Board according to the actual needs, among which NT\$38 million shall be divided into 3.8 million shares with a face value of NT\$1 per share, which shall be reserved for the exercise of stock rights warrants.

Article 6: When issuing new shares, the company shall authorize the Board to decide whether to print stock in accordance with Article 162, Article 162-1, and Article 162-2 of the Company Act. Shares to be issued may be exempted from stock printing, and shall be registered with the institution for centralized depository institution of securities.

Article 7: The name change and transfer of shares shall be closed within 60 days before the shareholder meeting, within 30 days before the temporary meeting of shareholders, or within 5 days before the company decides to distribute dividends, bonuses or other benefits.

## Chapter 3 Shareholder Meeting

Article 8: The regular meeting is convened at least once a year, and is convened by the Board within six months after the end of each fiscal year. The temporary meeting shall be convened according to law when necessary.

Article 9: The regular shareholder meeting shall be called 30 days before the meeting, and the temporary meeting shall be called 15 days before the meeting. The shareholders shall be notified of the time, place and proposals of the meeting.

Article 10: If a shareholder is unable to attend the shareholder meeting due to certain circumstances, he/she shall present a power of attorney issued by the company, indicating the scope of authorization to entrust an agent to attend the meeting. However, if one person is entrusted by two or more shareholders at the same time, the voting rights of his proxy shall not exceed 3% of the voting rights of the total number of shares issued, and if so, the excess voting rights shall not be counted. Unless otherwise provided for in the Company Act, it shall be handled in accordance with the "Rules on the Use of power of Attorney in the Attendance of Shareholder Meetings by publicly issued stock companies" enacted by the competent authority.

Article 11: Each shareholder of the company shall have one vote per share, except in the case of non-voting shares stipulated in Article 179 of the Company Act.

Article 12: Unless otherwise provided for in the Company Act, resolutions of shareholder meetings shall be made with the consent of more than half of the total number of shares issued and shall be made with the consent of more than half of the votes of the shareholders present.

Article 12-1: The shareholder meeting of the company may be held by video conference or by announcement of the central competent authority.

Article 12-2: Matters decided by the shareholder meeting shall be made into a record, and signed or sealed by the chairman of the shareholder meeting.

#### Chapter 4 Directors and Supervisors

Article 13: The company shall have seven to eleven directors, including at least three independent directors, who shall serve a three-year term and be eligible for re-election. The election of all directors adopts a candidate nomination system, and shareholders select the candidates from the list. Independent directors and non-independent directors shall be elected together and the number of elected directors shall be calculated separately.

Article 13-1: The audit committee shall be established in accordance with Article 14-4 of the Securities Exchange Law since the 11<sup>th</sup> reelection of the directors. The audit committee shall replace the authority of the supervisor on the date of its establishment. The provisions concerning the supervisor shall cease to apply during the term of the audit committee, and audit committee and its members shall be responsible for implementing the duties and powers of the supervisor stipulated in the relevant laws and this Chapter. The Audit Committee shall consist of all independent directors, not less than three of whom shall be the convenor and at least one of whom shall have accounting or financial expertise. This Charter, the Securities and Exchange Law, the Company Act and other laws shall apply to the Audit Committee. The term of office, duties and powers of the audit committee, rules of procedure and resources provided by the company when exercising its duties and powers are separately stipulated in the organizational regulations of the audit committee.

Article 14: The Board of Directors is organized by the directors. One chairman is elected when more than two-thirds of the directors are present and more than half of the directors present agree to elect a chairman. The chairman is the president of the shareholder meetings and the board of directors internally and is the representative of the company externally. The convening of the Board shall be notified to all directors in written, email or fax seven days in advance. In case of emergency, the company may convene the Board at any time, and may also do so in written, e-mail or fax.

Article 15: If the chairman asks for leave or is unable to perform his duties for some reason, his agency shall be handled in accordance with Article 208 of the Company Act. If a director is unable to attend for any reason, in accordance with Article 205 of the Company Act, he may entrust one other director to attend on his behalf.

Article 16: The compensation of all directors shall be amended by the shareholder meeting. And liability insurance may be purchased for the director during his term of office.

Article 17: The duties and responsibilities of the board of directors are as follows:

1. Review and approval of the company's business policy and mid-term and long-term development plan.
2. Review of the annual budget and final accounts.
3. Audit of surplus distribution or deficit offset.
4. Approval of endorsements, acceptances, warranties and undertakings in the name of the company.
5. Apply to financial institutions for approval of financing, guarantees, acceptances and other external advances and borrowings.
6. Acquisition, transfer, grant of expertise and patent rights, and approval and amendment of contracts for technical cooperation.
7. Reinvestment in related businesses.
8. Appointment and removal of managers.
9. Holding of shareholder and Board of Directors meetings and confirmation of business reports.
10. Other business to be handled.

#### Chapter 5 Manager

Article 18: The company may appoint a general manager, deputy general managers or other managers

by resolution of the Board to meet the operation or management needs of the company, and each of these managers may have one or more persons.

## Chapter 6 Accountant

Article 19: At the end of each fiscal year, the company shall submit the following reports prepared by the Board to the shareholder meeting for approval by the board of directors:

1. Business Report
2. Financial Statements
3. Profits Distribution or Deficit Appropriation

Article 20: If the company has profit in the year (the profit refers to the profit before pre-tax deducting the compensation of employees and directors), it shall set aside 6% for the compensation of employees and no more than 2.3% for the compensation of directors and supervisors. However, if the company has accumulated deficit (including adjustment of undistributed profits), it shall reserve the compensatory amount in advance.

The above-mentioned employee compensation should be paid in stock or cash and the payee should include the employees of the subsidiary company who meet the conditions resolved by the Board. The above-mentioned compensation of directors and supervisors shall only be paid in cash. The first two items shall be acted upon by resolution of the Board and reported to the shareholder meeting.

Article 21-1: If the company's annual final accounts have net profit after tax for the current period, it should first offset the accumulated deficit (including adjusted amount of undistributed profits), and set aside 10% of the legal profit reserve according to law; however, the accumulated legal profit reserve that reached the company's total paid-in capital is not subject to this limitation. The special profit reserve shall be appropriated or reversed according to the law or the regulations of the competent authority. If there are remaining profits, together with the beginning undistributed profits (including adjustments to the amount of undistributed profit), shall be drafted by the Board to formulate a profits distribution proposal, and proposed to the shareholder meeting for a resolution on the distribution of shareholder dividends.

Based on profit sharing of the dividend policy, the company distributes no less than 50% of the profits available for distribution in the current year to shareholders. Among the dividends distributed, no more than 50% shall be paid as stock dividends, and the rest shall be paid in cash dividends.

Article 21-2: According to Article 240, Paragraph 5 of the Company Act, the company authorizes the Board of Directors to distribute all or part of dividends, bonuses and the legal profits and capital reserves stipulated in Paragraph 1, Article 241 of the Company Act with at least two thirds of the directors present and a resolution of more than half of the directors present. The dividends should be paid in cash and reported to the shareholder meetings.

## Chapter 7 Supplementary provisions

Article 22: The Corporate Charter shall be stipulated separately.

Article 23: Matters not stipulated in Articles of this Charter shall be handled in accordance with the provisions of the Company Act.

Article 24: This Charter was established on 01/23/1990

The first amendment was on 08/25/1990

The second amendment was on 12/07/1990

The third amendment was on 06/22/1991

The fourth amendment was on 06/27/1992

The fifth amendment was on 05/02/1993

The sixth amendment was on 06/22/1995

The seventh amendment was on 01/25/1996

The eighth amendment was on 05/23/1996

The ninth amendment was on 06/28/1996

The tenth amendment was on 04/30/1998

The eleventh amendment was on 04/01/1998

The twelfth amendment was on 06/04/1999

The thirteenth amendment was on 04/25/2000

The fourteenth amendment was on 04/30/2001  
The fifteenth amendment was on 06/28/2001  
The sixteenth amendment was on 05/29/2003  
The seventeenth amendment was on 06/18/2004  
The eighteenth amendment was on 06/14/2005  
The nineteenth amendment was on 06/09/2006  
The twentieth amendment was on 05/24/2007  
The twenty-first amendment was on 05/28/2010  
The twenty-second amendment was on 05/25/2012  
The twenty-third amendment was on 05/29/2015  
The twenty-fourth amendment was on 05/27/2016  
The twenty-fifth amendment was on 05/24/2019  
The twenty-sixth amendment was on 05/20/2022

## Appendix II: Rules of Procedure for Shareholder Meetings

- Article 1: The shareholder meeting of the company shall be handled in accordance with the rules unless stipulated by laws and regulations separately.
- Article 2: To record the attendance of shareholders, the shareholder meetings shall set up a signature book or the shareholders shall submit the attendance card for sign in, and the number of shares attended shall be calculated according to the submitted attendance card.
- Article 3: Attendance and voting at the shareholder meetings shall be calculated on the basis of shares. Shareholders shall present a power of attorney issued by the company, indicating the scope of authorization to entrust an agent to attend the meeting. A shareholder shall issue a power of attorney, limited to one person, and deliver it to the company five days before the shareholder meeting. If there are duplicate powers of attorney, the one delivered first prevails. However, this does not apply to those entrusted before the declaration is revoked. After the power of attorney is delivered to the company, if the shareholder wishes to attend the shareholder meeting in person or exercise voting rights in writing or electronically, he or she shall notify the company in written cancellation of the agency two days before the shareholder meeting; The voting rights exercised by the person present shall prevail.
- Article 4: The shareholder meetings shall be held at location of the company or a place that is convenient and suitable for shareholders. The starting time of meetings shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
- Article 5: If the shareholder meeting is convened by the Board, the chairman shall be the convenor. If the chairman is on leave or unable to perform his duties for some reason, he shall designate a director to act as his proxy.  
If the shareholder meeting is convened by a person with the right to convene other than the Board, the person with the right to convene shall act as the chairman.
- Article 6: Lawyers, accountants or related personnel appointed by the company may attend the shareholder meeting.  
Personnel who manages the shareholder meeting shall wear identification badges or armbands.
- Article 7: The whole process of the shareholder meeting shall be recorded or videotaped and kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the record should be kept until the end of the lawsuit. The shareholder meetings can be held by video conference or by announcement of the central competent authority.
- Article 8: The chairman shall announce the opening of the meeting immediately at the scheduled time. However, if shareholders representing more than half of the total issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements shall be limited to two times, and the total delay shall not exceed one hour. If the number of shares of shareholders present is still insufficient after two postponements, and there are shareholders representing more than one-third of the total issued shares present, the resolution of the meeting shall be seen as false in accordance with Article 175, Paragraph 1 of the Company Act.  
If the number of shares of shareholders present amounts to more than half of the total number of shares issued, the Chairman may re-propose a new vote for the false resolution in accordance with Section 174 of the Company Act.
- Article 9: If the shareholder meeting is convened by the Board, its agenda shall be determined by the Board, and the meeting shall proceed in accordance with the scheduled agenda, which shall not be changed without shareholder meeting's resolution.  
If the shareholder meeting is convened by anyone other than the Board who has the right to convene, the above-mentioned provisions shall apply.  
The chairman shall not declare the meeting adjourned without a resolution before the conclusion of agenda (including questions and motions) of the first two agenda.  
After the meeting has adjourned, a shareholder shall not appoint the Chairman to continue the meeting at the same address or at any other place; However, the Chairman, in violation of the rules of procedure, declares the meeting adjourned, and may elect a Chairman by the consent of a majority of the voting rights of the shareholders present to continue the meeting.
- Article 10: Before shareholders present make their speeches, they should first fill in the statement indicating the key points of the speech, the shareholder's account number (or attendance certificate number) and the name of the account. The chairman will decide the order of the speaker.  
The present shareholder shall be deemed not to have spoken if he only presents a statement without speaking. If the contents of the speech are inconsistent with those recorded in the statement, the contents of the speech shall prevail.  
When a present shareholder is making his speech, other shareholders shall not interfere with the speech unless with the consent of the chairman and the shareholder who speaks. The chairman shall

stop the person who violates this rule.

Article 11: Without the consent of the chairman, each shareholder shall make no more than two speeches, each of which shall not exceed five minutes.

If a shareholder makes a statement contrary to the provisions of the preceding paragraph or beyond the scope of the agenda, the Chairman may restrain the shareholder from making a statement.

Article 12: When a legal person is entrusted to attend a shareholder meeting, the legal person may designate only one representative to attend.

When a legal shareholder designates two or more representatives to attend the shareholder meeting, only one person may speak on the same motion.

Article 13: After shareholders present make their speeches, the chairman may reply in person or by designating relevant personnel.

Article 14: When the chairman thinks the discussed proposal is appropriate for voting, he may adjourn the discussion and put it to the vote. Shareholders shall have one vote per share; except those who are subject to restrictions or who are not entitled to vote as listed in Paragraph 2 of Article 179 of the Company Act.

When holding shareholder meetings, the company may exercise its voting right in writing or by electronic means, and the method of exercise shall be specified in the notice of the meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholder meeting in person. However, any questions and motions or amendment to the original motion at the meeting shall be regarded as a abstaining from voting.

For those who exercise the voting right in writing or electronically as above mentioned, its intention shall be delivered to the company two days before the shareholder meeting. If the expression of intention is repeated, the one who first delivered shall prevail, except for those who have expressed their intention before the declaration is revoked.

After a shareholder has exercised his voting right in writing or electronically, if he wishes to attend the meeting in person, he shall revoke the aforesaid expression of intention to exercise the voting right two days before the shareholder meeting; If the cancellation is delayed, the voting right exercised in writing or electronically shall prevail. If the voting right is exercised in writing or electronically and an agent is authorized by proxy to attend the shareholder meeting, the voting right exercised by the entrusted agent shall prevail.

Article 15: The scrutineers and counters for voting on proposals shall be designated by the chairman, while the scrutineers shall be the shareholders. The voting results shall be reported and recorded on the spot.

Article 16: The chairman may call a break at an proper time during the meeting.

Article 17: Unless otherwise stipulated in the Company Act and Corporate Charter, a motion shall be approved with the consent of more than half of the votes of shareholders present. When voting, the chairman or his designee shall announce the number of votes of shareholders present, then shareholders can vote. On the day after the shareholder meeting, the results of shareholders' consent, opposition and abstention shall be recorded in the MOPS TWSE. The resolution of shareholder meetings shall be made into a meeting minute which shall be signed or sealed by the chairman and distributed to all shareholders within 20 days after the meeting. Above-mentioned meeting minute may be prepared and distributed electronically, and the company may also distribute the meeting minute by entering the announcement mode on MOPS TWSE. The meeting minutes shall be recorded in accordance with the year, month, day and place of the meeting, the name of the chairman, the method of decision, the key points of the meetings and their results, and shall be kept in perpetuity during the existence of the company.

Article 18: When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. If one of the proposals has been approved, the other proposals shall be deemed to be rejected, and there is no need to vote again.

Article 19: The Chairman may direct pickets or security guards to help maintain order in the meeting. Picket officers or security guards should wear "picket" armbands when they are assisting in maintaining order.

Article 20: These rules or the amended rules shall come into force after being approved by the shareholder meetings.

### Appendix III: The Number of Shares Held by All Directors of the Company and the Minimum Number of Shares Held

- The company has elected more than two independent directors, thus the shareholding ratio of all directors except independent directors is reduced to 80% according to the above-mentioned ratio. The current legal shareholding ratio of the 11th director and the number of shareholding are as follows:  
The number of ordinary shares issued by the company 145,006,834 shares  
The legal number of shareholding of all directors 8,700,411 shares
- As of March 24<sup>th</sup>, 2025, the book closure date of shareholder meeting, the number of shareholding of all directors is as follow:

Position	Name	Number of Shareholding	Shareholding Ratio
Chairman	Vincent Tsuei	6,165,989	4.25%
Director	Director Omnico International Ltd.	6,805,460	4.69%
Director	Cheng Zhong Investment Co., Ltd.	5,224,931	3.60%
Director	Song, Ying-Quan	737,480	0.51%
Director	Lin, Jin-Cai	1,042,615	0.72%
Director	Chuang, Yung-Shun	0	0.00%
Director	James Wang	1,053,064	0.73%
Independent Director	Li, Qing-He	0	0.00%
Independent Director	Yan, Wei-Qun	0	0.00%
Independent Director	Huang, Xu-Nan	0	0.00%
Independent Director	Yang, Chang-Mou	0	0.00%
<b>Shareholding Number and Shareholding Ratio of All Directors</b>		21,029,539	14.50%

### Appendix IV: The Impact of Stock dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Item		Year	2025 (Estimated)
Beginning Amount of Paid-in Capital (\$1000)			1,450,067
Distribution of Shares and Dividends of this year	Cash Dividend Per Share (\$1)		1.785 (Note 1)
	Number of Distributed Shares Per Share for New Share Issue Through Capitalization of Earnings (\$1)		0.595 (Note 1)
	Number of Distributed Shares Per Share for New Share Issue Through Capitalization of Paid-in Capital		—
	Operating Profit		(Note 2)
Proposed Earnings Per Share and P/E Ratio	Increase (Decrease) Ratio of Operating Profit Compared with the Same Period Last Year		(Note 2)
	After-tax Net Profit ( \$1000 )		(Note 2)
	Increase (Decrease) Ratio of Net Profit After Tax Compared with the Same Period Last Year		(Note 2)
	Earnings Per Share (\$1)		(Note 2)
	Increase (Decrease) Ratio of Earnings Per Share Compared with Same Period Last Year		(Note 2)
	Average Annual Return on Investment		(Note 2)
Proposed Earnings per share and P/E Ratio	If Changing All the New Share Issue Through Capitalization of Earnings to Allotment	Proposed Earnings Per Share (\$1)	(Note 2)
		Proposed Average Annual Return on Investment	(Note 2)
	If Not Processing New Share Issue Through Capitalization of Paid-in Capital	Proposed Earnings Per Share (\$1)	(Note 2)
		Proposed Average Annual Return on Investment	(Note 2)
	If Not Processing Paid-in Capital and New Share Issue Through Capitalization of Earnings is Paid in Cash Dividend	Proposed Earnings Per Share (\$1)	(Note 2)
		Proposed Average Annual Return on Investment	(Note 2)

Note 1. The 2024 profits distribution proposal prepared by the Board on February 27, 2025 is waiting for approval of the 2025 shareholder meeting. The actual distributed amount per share shall be the number

of shares outstanding on the base date of the ex-rights and ex-dividend decided by the Board, shall be authorized to be adjusted by the Board.

Note 2. As of the date of publication of the Annual Report, the financial forecast information for the year 2025 has not been reviewed by accountants. Therefore, the impact of the proposed stock dividend issuance on the company's operating performance and earnings per share is not applicable.

## **Appendix V: Other Notes**

Instructions on handling shareholders' proposals and electronically exercising voting rights at this shareholder meeting:

Explanation: 1. The shareholder who holds more than 1% of the total number of shares issued may propose written motion to the company for the shareholder meetings, provided that there is no more than one motion and the proposed motion is limited to 300 words.

2. According to Article 172-1 of the Company Act, the period for the company to accept written proposals from shareholders is from March 14 to March 25, and has been announced on TWSE MOP according to law.

3. The company has not received any shareholder proposals as of the deadline for proposals.

4. Shareholders will exercise their voting rights electronically at this shareholder meeting from April 23 to May 20.