



Zhen Ding Technology Holding Limited

臻鼎科技控股股份有限公司

## 2024 Annual Shareholders' Meeting Minutes

Date and Time: 9:00 a.m., May 30, 2024

Venue: No.6, Lane 28, Sanho Road, Sanshi Village, Dayuan District, Taoyuan City (First floor conference room of the Company)

Convention Method: Hybrid Shareholders' Meetings

Video conferencing platform: Stock Services Platform of Taiwan Depository & Clearing Corporation <https://stockservices.tdcc.com.tw/evote/index.html>

Handling and troubleshooting methods for problems to the video conference platform or participation through video caused by natural disasters, incidents, or other force majeure: Please refer to the meeting notice for detailed information. No obstacles occurred with the video conference platform during this meeting.

Attendance: The attendance and attendance by proxy in the shareholders' meeting totaled 824,119,164 shares (including 771,212,414 votes exercised electronically and video conferencing), which accounted for 87.21% of all 944,955,751 outstanding shares (the 2,093,410 shares with no voting rights defined by Article 179 of the Company Act have been deducted).

Chairman: Chang-Fang Shen



Recorder: Mei-Yu Huang



Attending Directors: Chairman Chang-Fang Shen, Director Che-Hung Yu (Representative of Foxconn (Far East) Ltd.), Director Ting-Chuan Lee, Independent Director Chen-Fu Chien (attended via video), Independent Director Shin-Cheng Yeh, Independent Director Gin-Ing Hu, Independent Director Chun-Chung Chen

- I. Meeting Commencement: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
- II. Chairman's Address (omitted)
- III. Report Items:
  - (I) The Company's 2023 Business Report. (Please refer to Attachment 1)
  - (II) 2023 Audit Committee's Review Report. (Please refer to Attachment 2)
  - (III) Distribution of Employees' Profit Sharing and Directors' Remuneration for 2023.
  - (IV) Distribution of Cash Dividends for 2023.
  - (V) Issuance and Execution of Overseas Unsecured Convertible Bonds.
  - (VI) Proposals submitted by shareholders with shareholding of more than 1%.

**The reported items are acknowledged above.**

**IV. Ratification Items:**

**Proposal 1** **Proposed by the Board of Directors**  
**Subject:** **Ratification of 2023 Business Report and Consolidated Financial Statements.**

**Explanatory Notes:**

- (I)** The Company's Consolidated Financial Statements for 2023 were audited by independent auditors, CPA Hsu, Sheng-Chung and CPA Hsu, Chieh-Ju of the CPA firm, Pricewaterhouse Coopers (PwC) Taiwan.
- (II)** For the 2023 business report, independent auditors' report and consolidated financial statements, please refer to Attachment 1 and Attachment 3.
- (III)** Please proceed to acknowledge.

**Voting Results:** Passed as proposed after voting. The voting results are as follows:

Total voting rights of attending shareholders at the time of voting was 824,119,164.

Voting results	Percentage of total voting rights of attending shareholders
<b>Votes in favor: 715,697,480 votes (including 663,061,380 electronic and video votes)</b>	<b>86.84%</b>
<b>Votes against: 167,962 votes (including 167,962 electronic and video votes)</b>	<b>0.02%</b>
<b>Invalid votes: 0 votes</b>	<b>0.00%</b>
<b>Waived votes/uncast votes: 108,253,722 votes (including 107,983,072 electronic and video votes)</b>	<b>13.13%</b>

**Proposal 2** **Proposed by the Board of Directors**

**Subject:** **Ratification of the 2023 earnings distribution.**

**Explanatory Notes:**

- (I)** The net profit after tax of the Company's parent company for 2023 was NT\$6,188,729,056 and the retained earnings available to distribute for the year was NT\$38,892,461,624.
- (II)** For the 2023 Earnings Distribution Table, please refer to Attachment 4.
- (III)** Please proceed to acknowledge.

**Voting Results:** Passed as proposed after voting. The voting results are as follows:

Total voting rights of attending shareholders at the time of voting was 824,119,164.

Voting results	Percentage of total voting rights of attending shareholders
<b>Votes in favor: 716,634,569 votes (including 663,998,469 electronic and video votes)</b>	<b>86.95%</b>
<b>Votes against: 181,713 votes (including 181,713 electronic and video votes)</b>	<b>0.02%</b>
<b>Invalid votes: 0 votes</b>	<b>0.00%</b>
<b>Waived votes/uncast votes: 107,302,882 votes (including 107,032,232 electronic and video votes)</b>	<b>13.02%</b>

**V. Discussion Items:**

**Proposal 1** **Proposed by the Board of Directors**  
**Subject:** **Proposal for amendments to the Company's "Rules Governing the Election of Directors".**

**Explanatory Notes:**

- (I) According to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" provided in the announcement issued by Taiwan Stock Exchange Corporation, the Company proposed to amend its "Rules Governing the Election of Directors".
- (II) For the comparison table before and after the amendment, please refer to Attachment 5.
- (III) Please proceed to discuss.

**Voting Results:** Passed as proposed after voting. The voting results are as follows:

Total voting rights of attending shareholders at the time of voting was 824,119,164.

Voting results	Percentage of total voting rights of attending shareholders
<b>Votes in favor: 716,114,065 votes (including 663,477,965 electronic and video votes)</b>	<b>86.89%</b>
<b>Votes against: 185,514 votes (including 185,514 electronic and video votes)</b>	<b>0.02%</b>
<b>Invalid votes: 0 votes</b>	<b>0.00%</b>
<b>Waived votes/uncast votes: 107,819,585 votes (including 107,548,935 electronic and video votes)</b>	<b>13.08%</b>

**Proposal 2****Proposed by the Board of Directors**

**Subject:** **Proposal for the release of the non-competition restriction for directors.**

**Explanatory Notes:**

- (I) According to Article 46.4 of the Articles of Association, the Company's directors shall offer explanations for what they plan to do for themselves or others that are within the boundaries of the company's operations, and ask for approval at the shareholders' meeting.**
- (II) To tap into the expertise and applicable experiences of the Company's directors, the release of the non-competition restriction for the above directors is proposed for approval at the Shareholders' Meeting:**

Title	Name	Company Name and Title Held Concurrently
Independent Director	Gin-Ing Hu	Independent Director, ADATA Technology Co., Ltd.

- (III) Please proceed to discuss.**

**Voting Results:** Passed as proposed after voting. The voting results are as follows:

**Total voting rights of attending shareholders at the time of voting was 824,119,164.**

Voting results	Percentage of total voting rights of attending shareholders
<b>Votes in favor: 694,159,255 votes (including 641,523,155 electronic and video votes)</b>	<b>84.23%</b>
<b>Votes against: 282,613 votes (including 282,613 electronic and video votes)</b>	<b>0.03%</b>
<b>Invalid votes: 0 votes</b>	<b>0.00%</b>
<b>Waived votes/uncast votes: 129,677,296 votes (including 129,406,646 electronic and video votes)</b>	<b>15.73%</b>

**VI. Extraordinary Motions: None.**

**VII. Adjournment: Meeting Adjourned at 9:16 a.m.**

**No questions were raised by shareholders during the Shareholders' Meeting.**

# **Zhen Ding Technology Holding Limited**

## **Business Report**

Thank all shareholders for your continuous support and trust in the company. In 2023, due to factors such as inflation and inventory adjustments, the company encountered unprecedented challenges. Reviewing the revenue performance of the past year, the annual revenue was NT\$151.398 billion, slightly lower than the previous year. However, compared to the overall industry situation, the performance still aligned with our previous expectations. In particular, the revenue performance in the fourth quarter was impressive. It not only achieved quarterly growth of 30.14%, but also returned to annual growth. This is mainly attributed to double-digit growth in areas such as mobile communication, automobiles, trucks, base stations, servers, and IC substrates. It is particularly worth mentioning that the revenue from IC substrates for Q4 increased by over 60% annually, indicating a clear trend of recovery in the BT substrate business. This brings us confidence and motivation, expecting a resurgence in consumer products this year. In addition, the effects of substrate layout, and long-term efforts in promoting servers and trucks, will bring new growth opportunities for the company.

The Company's 2023 business overview and future outlook.

### **I. Revenue Overview**

In 2023, our consolidated revenue was NT\$151.398 billion and our consolidated net profit after tax was NT\$9.432 billion (the consolidated net profit after tax attributable to the parent company was NT\$6.189 billion). The earnings per share of the consolidated net profit after tax was NT\$9.98 (the earnings per share of the consolidated net profit after tax attributable to the parent company was NT\$6.55).

### **II. Global Orientation and Sustainable Development**

Over the past year, despite facing numerous challenges, we have also encountered many opportunities. Affected by the geopolitical and industrial environment, we are still actively reserving production capacity and continue to promote various measures in smart manufacturing, environmental protection, production quality, talent training, corporate responsibility and social value. Although impacted by the economic downturn, we continue to uphold our position as the world's No. 1 company by consistently enhancing product performance and service quality. In terms of new factory construction, the new plant in Kaohsiung has been installed machinery and is expected to commence production this year. Notably, the flexible printed circuit factory we established in Kaohsiung is one of the most advanced production bases in the industry, equipped with the latest production technology and facilities, capable of meeting customers' new product development needs. The commencement of production at the Kaohsiung plant will enhance our competitive advantage in the market and improve the production quality and efficiency of our products. Construction has also begun on our new factory in Thailand, with an initial investment of US\$250 million planned for the first phase. It is scheduled to commence trial production in the first half of 2025. In addition, the company has also acquired the land for its Taiwan operations center in front of the Taoyuan HSR Station. Currently in the planning and design phase, this center will serve as a cradle for

talent cultivation and a base for industry chain collaboration, providing the advantage of convenient transportation for business meetings of customers and partners, as well as office work for employees. This initiative is also aimed at attracting more talent to join the company's team.

As a sustainability-focused enterprise, Zhen Ding has always been committed to advancing environmental, social, and corporate governance (ESG) principles comprehensively. We prioritize corporate culture and social responsibility, integrating environmental protection into every aspect of our operations. Our goal is to minimize our negative impact on the environment while actively participating in industry-academic cooperation and social welfare activities, as well as engaging with all stakeholders. The company not only cooperates with well-known academic institutions and universities to establish the Zhen-Ding & NTHU Joint Research Center and the ZDT Group - Yuan Ze University Joint Research and Development Center for Big Data, but also founded the Zhen Ding Education Foundation, with plans to allocate 1% of its profits to help students realize their dreams.

### III. One ZDT Strategy and Talent Cultivation

The One ZDT strategy, initiated in 2015, originated from Zhen Ding's flexible printed circuits, and then extended to the high density interconnectors (HDI) and substrate fields. It sets annual growth targets focusing on sales strategy, quality, technology, flexibility, and development strategy. Through the One ZDT strategy, we are committed to expanding market share in areas such as vehicles, servers and base stations. In 2023, revenue from these products showed a counter-trend growth, demonstrating the effectiveness of the strategy. In the future, we will continue to develop a diversified product portfolio, gradually increase our market share in the PCB industry, and ensure the company's sustained growth.

In the increasingly competitive global environment, we are deeply aware that only through continuous innovation and transformation can we ensure the sustainable development of our company. Hence, we have actively invested in the field of smart manufacturing, introduced advanced production technologies and processes, and continuously improved production efficiency. Smart manufacturing is one of the key strategies for the company's transformation. Additionally, we actively invest in research and development, adopting advanced manufacturing technologies and data analysis to achieve automation and intelligence in production processes. This not only enhances production efficiency but also enables us to more flexibly meet customer demands, propelling the company's transformation into a more competitive enterprise. Under the One ZDT strategic framework, the manufacturing strategy of "producing wherever the customers are" has also become one of our business models. During the production capacity ramp-up stage, we invite supplier partners to remain at the factory to focus on production. Through close collaboration with strategic suppliers, we establish an operational team and strategic partnerships with a shared vision. In the future, Zhen Ding will continue its proactive growth pace, develop four major product lines simultaneously under the One ZDT strategy, comprehensively deploy in the rapidly growing application market, continue to consolidate its leading position in the PCB industry, and obtain greater benefits.

During this year, we particularly emphasize talent cultivation and development. We believe that talent is the most valuable asset of an enterprise, and only with an excellent pipeline of talents can we ensure the sustainable development and competitiveness of our global business. Consequently, even in the face of a recession, the company is still actively providing training opportunities and development channels. The total number of employee training hours throughout the year has exceeded 3.3 million hours, allowing employees to continuously improve their professional and management competencies.

#### IV. Future prospects

Under the perspective of long-term development, Zhen Ding deploys itself across both sides of the Taiwan Strait and focuses on the global market, not letting short-term economic fluctuations be a concern. Looking to the future, we are confident in our development in 2024. Although the recovery momentum of consumer demand and the geopolitical situation remain to be observed, we believe that as customer inventories gradually return to healthy levels, the company will achieve moderate growth and overall revenue and profits will increase. Looking ahead to 2024, it promises to be a year worth anticipating.

We would like to express our gratitude to all shareholders for your support and trust in the company. With your support throughout our journey, we have been able to overcome difficulties and achieve success today. In the days ahead, we will continue to work diligently, adhere to the pace of stable operations, actively respond to changes in market conditions, maintain competitive advantages, and create greater value for shareholders.

Chairman:

Chang-Fang Shen

General Manager:

Chang-Fang Shen

Head of Accounting:

Yuan-Shen Wang

## **Zhen Ding Technology Holding Limited**

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

The Board of Directors has prepared and submitted the 2023 business report, consolidated financial statements, and earnings distribution proposal, of which the consolidated financial statements have been audited by the CPAs Sheng-Chung Hsu and Chieh-Ju, Hsu of PricewaterhouseCoopers, Taiwan and an Audit Report is submitted. The Audit Committee has reviewed the business report, consolidated financial statements, and the earnings distribution proposal and did not find any incompliance. According to the regulations in the Articles of Association, it is hereby submitted for your examination.

To:

2024 Shareholders' Annual General Meeting

**Zhen Ding Technology Holding Limited**

**Audit Committee convener: Chen-Fu Chien**

**Match 12, 2024**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Zhen Ding Technology Holding Limited

### **Opinion**

We have audited the accompanying consolidated balance sheets of Zhen Ding Technology Holding Limited and its subsidiaries (the “Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of 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 consolidated financial statements referred to above 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### **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 Accountant in 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 judgement, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters on the Group's 2023 consolidated financial statements were as follows:

### **Cut-off of hub warehouse sales revenue**

#### Description

Refer to Note 4(29) for accounting policies on revenue recognition.

The Group recognises revenue when the goods are directly shipped from factories and when customers accept the goods (the transfer of control) if picked up from hub warehouses. For pick-ups from hub warehouses, the Group recognises sales revenue based on movements of inventory records contained in the statements or other information provided by the warehouse custodians. The hub warehouses are located around the world with numerous warehouse custodians, the frequency and contents of statements provided by custodians are different, and the process of revenue recognition may involve manual procedures. These factors may potentially result in inaccurate timing of sales revenue recognition.

As there are numerous daily sales transactions from hub warehouses and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, we considered the cut-off of hub warehouse sales revenue a key audit matter.

### How our audit addressed the matter

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

- A. Assessed and tested internal controls over regular record verification between the Group and customers.
- B. Assessed and checked the appropriateness of cut-off of sales revenue prior to or after the balance sheet date, and verified the statements provided by the hub warehouse custodians.
- C. Performed confirmation of the storage quantities or observed physical counts in warehouse, compared against inventory records, and determined whether differences, if any, are properly adjusted.

### **Estimation of allowance for inventory valuation losses**

#### Description

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(6) for details of inventory. As of December 31, 2023, the Group's inventory cost and allowance for valuation losses were NT\$16,819,470 thousand and NT\$1,311,921 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of printed circuit board. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due to market value decline or obsolescence. The Group measures inventories at the lower of cost and net realisable value and recognises the allowance for inventory valuation losses based on the inventories over normal age and those individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories are numerous, and the estimation of net realisable value for individually obsolete or damaged inventories is subject to significant judgement, we considered the estimation of allowance for inventory valuation losses a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures in relation to the estimation of allowance for inventory valuation losses:

- A. Assessed the reasonableness of accounting policy on allowance for inventory valuation losses and checked whether it has been consistently applied.
- B. Checked whether the logic in calculating inventory aging report was appropriate and confirmed whether the inventory over normal age has been included in the aging report.
- C. Assessed the reasonableness of individually obsolete or damaged inventory identified by the Group against related supporting documents, reviewed scrap inventory before and after the balance sheet date, and verified the information obtained from physical count.
- D. For the net realisable value of inventories over normal age and those individually identified as obsolete and damaged inventory, discussed with the Group, obtained supporting documents and reviewed calculation of inventory loss.

### **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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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.

### **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 professional skepticism throughout the audit. We also:

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. 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.
- F. Obtain sufficient 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 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, 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.

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Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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Chieh-Ju, Hsu

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
1100	Cash and cash equivalents 6(1)	\$ 61,420,770	25	\$ 55,243,562	24
1136	Current financial assets at amortised cost 6(3)	4,549,269	2	1,907,751	1
1170	Accounts receivable, net 6(4)	25,803,347	11	26,932,980	11
1180	Accounts receivable due from related parties, net 6(4) and 7	3,425,531	2	3,071,665	1
1200	Other receivables 6(5)	274,414	-	523,996	-
130X	Inventories 6(6)	15,507,549	6	17,724,844	8
1410	Prepayments 6(5)	3,048,205	1	4,883,541	2
1470	Other current assets 8	16,588	-	4,640	-
11XX	<b>Total current assets</b>	<b>114,045,673</b>	<b>47</b>	<b>110,292,979</b>	<b>47</b>
<b>Non-current assets</b>					
1510	Non-current financial assets at fair value through profit or loss 6(2)	1,752,487	1	1,640,432	1
1517	Non-current financial assets at fair value through other comprehensive income 6(7)	1,714,386	1	753,272	-
1535	Non-current financial assets at amortised cost 6(3)	-	-	448,023	-
1550	Investments accounted for using equity method	20,767	-	32,978	-
1600	Property, plant and equipment 6(8)	105,713,497	43	100,307,311	43
1755	Right-of-use assets 6(9)	9,061,140	4	8,327,697	4
1760	Investment property, net 6(10)	4,251,347	2	4,506,853	2
1780	Intangible assets 6(11)	2,313,206	1	2,138,586	1
1840	Deferred income tax assets 6(30)	2,827,971	1	2,576,898	1
1990	Other non-current assets 6(12) and 8	1,075,191	-	1,535,083	-
15XX	<b>Total non-current assets</b>	<b>128,729,992</b>	<b>53</b>	<b>122,267,133</b>	<b>53</b>
1XXX	<b>Total assets</b>	<b>\$ 242,775,665</b>	<b>100</b>	<b>\$ 232,560,112</b>	<b>100</b>

(Continued)

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(13)	\$ 33,853,082	14	\$ 16,819,556	7
2170	Accounts payable		18,504,901	8	15,964,613	7
2180	Accounts payable to related parties	7	1,062,035	-	936,026	-
2200	Other payables	6(14)	18,286,472	8	20,181,766	9
2230	Current income tax liabilities		986,692	-	1,635,243	1
2280	Current lease liabilities		221,325	-	86,860	-
2320	Long-term liabilities, current portion	6(15)(16)	1,250,317	1	15,572,856	7
2399	Other current liabilities		4,774,518	2	3,029,985	1
21XX	<b>Total current liabilities</b>		<u>78,939,342</u>	<u>33</u>	<u>74,226,905</u>	<u>32</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(16)	18,026,287	8	12,966,168	6
2570	Deferred income tax liabilities	6(30)	3,030,821	1	3,647,057	1
2580	Non-current lease liabilities		992,331	-	336,799	-
2600	Other non-current liabilities		7,461,036	3	8,517,492	4
25XX	<b>Total non-current liabilities</b>		<u>29,510,475</u>	<u>12</u>	<u>25,467,516</u>	<u>11</u>
2XXX	<b>Total liabilities</b>		<u>108,449,817</u>	<u>45</u>	<u>99,694,421</u>	<u>43</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent</b>						
	Share capital	6(19)				
3110	Ordinary share		9,470,492	4	9,470,492	4
	Capital surplus	6(20)				
3200	Capital surplus		38,555,914	16	38,021,187	16
	Retained earnings	6(21)				
3310	Legal reserve		8,417,315	3	6,995,473	3
3320	Special reserve		2,882,437	1	4,848,301	2
3350	Unappropriated retained earnings		41,749,184	17	40,698,111	18
	Other equity interest	6(22)				
3400	Other equity interest		( 5,120,220 )	( 2 )	( 2,882,437 )	( 1 )
3500	Treasury shares	6(19)	( 257,489 )	-	( 257,489 )	-
31XX	<b>Equity attributable to owners of parent</b>		<u>95,697,633</u>	<u>39</u>	<u>96,893,638</u>	<u>42</u>
36XX	Non-controlling interest	6(32)	<u>38,628,215</u>	<u>16</u>	<u>35,972,053</u>	<u>15</u>
3XXX	<b>Total equity</b>		<u>134,325,848</u>	<u>55</u>	<u>132,865,691</u>	<u>57</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 242,775,665</u>	<u>100</u>	<u>\$ 232,560,112</u>	<u>100</u>

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

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23), 7 and 14	\$ 151,398,038	100	\$ 171,356,495	100
5000	Operating costs	6(6) and 7	(123,938,549)	(82)	(131,468,413)	(77)
5950	Gross profit from operations		27,459,489	18	39,888,082	23
	Operating expenses	6(24)				
6100	Selling expenses		(1,899,653)	(1)	(1,959,988)	(1)
6200	Administrative expenses		(6,724,668)	(5)	(7,197,223)	(4)
6300	Research and development expenses		(9,665,484)	(6)	(8,279,766)	(5)
6450	Expected credit loss in accordance with IFRS 9	12	(10,000)	-	(4,344)	-
6000	Total operating expenses		(18,299,805)	(12)	(17,441,321)	(10)
6900	Net operating income		9,159,684	6	22,446,761	13
	Non-operating income and expenses					
7100	Interest income	6(26)	2,500,594	2	767,556	1
7010	Other income	6(27)	759,948	-	773,019	-
7020	Other gains and losses	6(28)	(403,710)	-	374,110	-
7050	Finance costs	6(29)	(1,952,504)	(1)	(901,834)	-
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method		(16,094)	-	8,892	-
7000	Total non-operating income and expenses		888,234	1	1,021,743	1
7900	<b>Profit before income tax</b>		10,047,918	7	23,468,504	14
7950	Income tax expense	6(30)	(616,065)	(1)	(2,933,192)	(2)
8200	<b>Profit</b>		\$ 9,431,853	6	\$ 20,535,312	12
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Actuarial gains on defined benefit plans	6(17)	\$ 771	-	\$ 26,729	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(22)				
			787,894	-	(22,804)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(139,739)	-	(3,278)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		648,926	-	647	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements	6(22)	(1,901,942)	(1)	2,584,339	1
8300	<b>Other comprehensive (loss) income</b>		(\$ 1,253,016)	(1)	\$ 2,584,986	1
8500	<b>Total comprehensive income</b>		\$ 8,178,837	5	\$ 23,120,298	13
	Profit attributable to:					
8610	Owners of the parent		\$ 6,188,729	4	\$ 14,197,040	8
8620	Non-controlling interests		3,243,124	2	6,338,272	4
			\$ 9,431,853	6	\$ 20,535,312	12
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 3,951,563	2	\$ 16,184,287	9
8720	Non-controlling interests		4,227,274	3	6,936,011	4
			\$ 8,178,837	5	\$ 23,120,298	13
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(31)	\$ 6.55		\$ 15.02	
9850	Diluted earnings per share	6(31)	\$ 6.34		\$ 13.92	

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 YEARS ENDED DECEMBER 31, 2023 AND 2022  
 (Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent									Other Equity Interest		
Retained Earnings									Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
Notes	Ordinary shares	Capital surplus-additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Treasury shares	Total	Non-controlling interest	Total equity	
Year ended December 31, 2022											
Balance at January 1, 2022	\$ 9,470,492	\$ 36,937,742	\$ 6,029,763	\$ 4,130,316	\$ 32,898,629	(\$ 4,886,372)	\$ 38,071	(\$ 257,489)	\$ 29,158,787	\$ 113,519,939	
Profit for the year	-	-	-	-	14,197,040	-	-	-	14,197,040	20,535,312	
Other comprehensive income (loss) for the year					21,383	1,986,380	(20,516)	-	1,987,247	2,584,986	
Total comprehensive income (loss)					14,218,423	1,986,380	(20,516)	-	16,184,287	23,120,298	
Appropriations of 2021 earnings:											
Legal reserve	-	-	965,710	717,985	(965,710)	-	-	-	(4,735,246)	(4,735,246)	
Special reserve	-	-	-	-	(717,985)	-	-	-	-	-	
Cash dividends	-	-	-	-	(4,735,246)	-	-	-	-	-	
Compensation cost of employee restricted stock	-	-	174,675	-	-	-	-	174,675	57,115	231,790	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	10,467	-	-	-	-	10,467	-	10,467	
Difference between consideration and carrying amount of subsidiaries disposed	6(32)	-	755,262	-	-	-	-	755,262	547,116	1,302,378	
Changes in non-controlling interests - acquisition of shares of the subsidiary	-	-	143,041	-	-	-	-	143,041	720,409	863,450	
Changes in non-controlling interests - distribution of retained earnings by subsidiaries	-	-	-	-	-	-	-	-	(1,447,385)	(1,447,385)	
Balance at December 31, 2022	\$ 9,470,492	\$ 38,021,187	\$ 6,995,473	\$ 4,848,301	\$ 40,698,111	(\$ 2,899,922)	\$ 17,555	(\$ 257,489)	\$ 96,893,638	\$ 132,865,691	
Year ended December 31, 2023											
Balance at January 1, 2023	\$ 9,470,492	\$ 38,021,187	\$ 6,995,473	\$ 4,848,301	\$ 40,698,111	(\$ 2,899,922)	\$ 17,555	(\$ 257,489)	\$ 96,893,638	\$ 132,865,691	
Profit for the year					6,188,729	-	-	-	6,188,729	9,431,853	
Other comprehensive income (loss) for the year					-	-	-	-	3,243,124	-	
Total comprehensive income (loss)					617	(2,709,461)	471,678	-	(2,237,166)	984,150	
Appropriations of 2022 earnings:											
Legal reserve	-	-	1,421,842	(1,965,864)	(1,421,842)	-	-	-	(6,552)	(11,459)	
Special reserve	-	-	-	-	(1,965,864)	(1,965,864)	-	-	-	-	
Cash dividends	-	-	-	-	(5,682,295)	(5,682,295)	-	-	(5,682,295)	(5,682,295)	
Compensation cost of employee restricted stock	6(20)	-	(6,652)	-	-	-	-	-	-	-	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	12,560	-	-	-	-	12,560	-	12,560	
Difference between consideration and carrying amount of subsidiaries disposed	6(32)	-	5,913	-	-	-	-	5,913	(3,357)	2,556	
Recognition of changes in ownership interests in subsidiaries	6(32)	-	(226,987)	-	-	-	-	(226,987)	(642,113)	(642,113)	
Changes in non-controlling interests - acquisition of shares of the subsidiary	-	-	749,893	-	-	-	-	749,893	1,031,776	1,781,669	
Changes in non-controlling interests - distribution of retained earnings by subsidiaries	-	-	-	-	-	-	-	-	-	-	
Balance at December 31, 2023	\$ 9,470,492	\$ 38,555,914	\$ 8,417,315	\$ 2,882,457	\$ 41,749,184	(\$ 5,609,455)	\$ 489,233	(\$ 257,489)	\$ 95,697,633	\$ 134,325,886	

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 10,047,918	\$ 23,468,504
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	15,829,181	14,196,216
Amortisation	6(24)	494,145	441,835
Gain on financial assets or liabilities at fair value through profit or loss, net	6(2)	( 30,261 )	57,338 )
Impairment losses	6(8)	142,303	960,690
Expected credit losses	12	10,000	4,344
(Gain) loss on disposal of property, plant and equipment	6(28)	( 44,823 )	16,711
Loss on disposal of right-of-use assets	6(9)	320	-
Interest income	6(26)	( 2,500,594 )	767,556 )
Interest expense	6(29)	1,952,504	901,834
Share of loss (profit) of associates and joint ventures accounted for using equity method		16,094 (	8,892 )
Gain from lease modification	6(9)	- (	2,032 )
Loss on redemption of convertible bonds	6(28)	438,175	-
Share-based (reversal) payment	6(18)	( 11,459 )	231,790
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 44,432 )	29,874 )
Accounts receivable		1,164,163	10,851,993
Accounts receivable due from related parties		( 378,349 )	352,904 )
Other receivables		198,835	724,741
Inventories		3,144,906	257,100
Prepayments		1,799,229 (	532,962 )
Other current assets		- )	91
Changes in operating liabilities			
Accounts payable		2,856,608 (	3,352,090 )
Accounts payable to related parties		144,582 (	147,879 )
Other payables		620,562	1,396,796
Other current liabilities		( 15,564 )	21,343
Cash inflow generated from operations		35,834,043	48,222,461
Income tax paid		( 2,225,878 )	( 2,911,823 )
Net cash flows from operating activities		<u>33,608,165</u>	<u>45,310,638</u>

(Continued)

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at fair value through profit or loss		(\$ 111,339 )	(\$ 467,286 )
Increase in current financial assets at amortised cost		( 2,232,802 )	( 786,300 )
Acquisition of financial assets at fair value through other comprehensive income		( 195,427 )	( 352,382 )
Proceeds from disposal of financial assets at fair value through other comprehensive income		- 66,595	
Acquisition of property, plant and equipment	6(33)	( 25,718,517 )	( 29,031,926 )
Proceeds from disposal of property, plant and equipment		265,332	306,687
Acquisition of intangible assets		( 41,019 )	( 332,281 )
Acquisition of right-of-use assets	6(9)	( 347,600 )	- -
Increase in restricted assets		( 11,961 )	( 103,007 )
Decrease (increase) in other non-current assets		15,577	( 868,558 )
Increase in other non-current liabilities		81,546	451,018
Collected income distribution	6(2)	7,923	13,745
Interest received		<u>2,548,418</u>	<u>677,029</u>
Net cash flows used in investing activities		<u>( 25,739,869 )</u>	<u>( 30,426,666 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(33)	20,644,189	1,960,388
Decrease in short-term borrowings	6(33)	( 3,284,436 )	( 4,948,486 )
Proceeds from long-term borrowings	6(33)	10,498,454	8,486,133
Repayments of long-term borrowings	6(33)	( 7,871,479 )	- -
Increase in guarantee deposits received	6(33)	709,379	5,061,535
Cash dividends paid	6(21)	( 5,682,295 )	( 4,735,246 )
Redemption of convertible bonds	6(33)	( 12,465,792 )	- -
Payments of lease liabilities		( 99,820 )	( 121,739 )
Interest paid		( 1,905,817 )	( 739,787 )
Changes in non-controlling interests - disposal of the subsidiary	6(32)	2,556	1,480,120
Changes in non-controlling interests - the subsidiary buys back treasury shares	6(32)	( 869,100 )	- -
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	1,781,669	863,450
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		<u>( 1,952,611 )</u>	<u>( 1,447,385 )</u>
Net cash flows (used in) from financing activities		<u>( 495,103 )</u>	<u>5,858,983</u>
Effect of exchange rate changes on cash and cash equivalents		<u>( 1,195,985 )</u>	<u>711,077</u>
Net increase in cash and cash equivalents		6,177,208	21,454,032
Cash and cash equivalents at beginning of year		<u>55,243,562</u>	<u>33,789,530</u>
Cash and cash equivalents at end of year		<u>\$ 61,420,770</u>	<u>\$ 55,243,562</u>

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

**Zhen Ding Technology Holding Limited**  
**Earning Distribution for 2023**

Unit: NT\$

<b>Item</b>	<b>Amount</b>
Net income after tax	\$ 6,188,729,056
Add: Unappropriated earnings adjustments for the current year (Note 2)	617,095
Adjusted net profit after tax (Note 3)	\$ 6,189,346,151
Less: 10% general reserve (Note 3)	618,934,615
Less: Allocation to special reserve (Note 4)	2,237,783,334
Add: Undistributed earnings in previous years	35,559,833,422
Retained earnings available for distribution for this year	\$ 38,892,461,624
Distribution items: Cash Dividend (NT\$3.275 per share)	3,101,586,002
Accumulated undistributed earnings at the end of the period	\$ 35,790,875,622

## Note:

1. As of December 31, 2023, the Company's outstanding shares were 947,049,161 shares.
2. The actuarial gains and losses of defined benefit plans are recognized in other comprehensive income (net), and is an adjustment for distributable earnings for the current year.
3. Using the "total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period" as the basis for allocating statutory surplus reserve, and the statutory surplus reserve in previous years does not need to be adjusted retrospectively. (Reference to Letter No. 10802432410 issued by the Ministry of Economic Affairs in January 9, 2020)
4. Pursuant to the Order No. Financial-Supervisory-Securities-Corporate-1090150022 of the Financial Supervisory Commission's Securities and Futures Commission, a special surplus reserve of the same amount should be included for the net amount of other shareholders' equity deducted for the current year. Later when the other shareholders' equity deductions have been reversed, the reversal in surplus will be distributed.
5. The amount of NT\$ is converted according to the balance of US\$, the functional currency.
6. The cash dividends shall be calculated in NT\$ (allocated to NT\$1) in accordance with distribution ratio, and below NT\$1 will be rounded down.

Chairman:  
 Chang-Fang Shen

General Manager:  
 Chang-Fang Shen

Accounting Executive:  
 Yuan-Shen Wang

## Zhen Ding Technology Holding Limited

### Comparison Table Before and After Amendment of the Rules Governing the Election of Directors

After amendment	Before amendment	Explanation
Article 2: The Company's director elections <u>shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act of the place where the listing is made.</u>	Article 2: The Company's director elections <u>shall proceed during shareholders' meetings.</u>	Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.
Article 3: The election of the Company's directors <u>shall adopt the cumulative voting method. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u>	Article 3: The election of the Company's directors <u>shall adopt the named ballot voting method. The names of the nominees may be represented by their attendance number or shareholder number on the ballot.</u>	<ol style="list-style-type: none"> <li>1. Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.</li> <li>2. Combined with the original provision of Article 4.</li> </ol>
Deleted	<u>Article 4: For the election of the directors of the Company, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u>	The original provision is combined with the provision of the preceding article.
Article 4: The election of the Company's directors shall be conducted in accordance with the number of seats specified in the Company's Articles of Association, <u>with voting rights separately calculated for independent and non-independent director positions.</u> Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their <u>respective</u> numbers of votes. When two or more persons receive the same number of votes, thus	Article 5: Based on the number of seats predefined in the Articles of Association, candidates with the highest votes shall be assigned to fill the director positions. When <u>two or</u> more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.	<ol style="list-style-type: none"> <li>1. Adjusted the article number in line with the deletion of the original provision of Article 4.</li> <li>2. Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.</li> </ol>

After amendment	Before amendment	Explanation
exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.		
<u>Article 5: The person with the right to convene shall prepare ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the Shareholders' Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u>	<u>Article 6: When the Board of Directors prepares the ballots, the number of voting rights should be added to the ballots, and the shareholder's number should be added when necessary.</u>	<ol style="list-style-type: none"> <li>1. Adjusted the article number in line with the deletion of the original provision of Article 4.</li> <li>2. Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</li> </ol>
Article 6: When the election begins, the Chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring <u>and</u> counting personnel.	Article 7: When the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring <u>and</u> counting personnel.	<ol style="list-style-type: none"> <li>1. Adjusted the article number in line with the deletion of the original provision of Article 4.</li> <li>2. Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</li> </ol>
Deleted	<u>Article 8: The voter must indicate in the "candidate" column of the ballot the candidate's name and shareholder account number. If the candidate is not a shareholder, their national ID number should be included. When the government or a institutional shareholder is a candidate, the candidate column of the ballot shall include the name of the institutional shareholder in accordance with the provisions of Paragraph 1, Article 27 of the Company Act, and the names of the institutional shareholder and its</u>	In accordance with laws and regulations of the place where the listing is made, a candidate nomination system shall be adopted for the election of directors, thus deleting this article.

After amendment	Before amendment	Explanation
	<u>representative shall be included in accordance with the provisions of Paragraph 2 of the Act.</u>	
Article 7: <u>Ballots</u> are considered void in any of the following circumstances: <ul style="list-style-type: none"> <li>I. The ballot was not prepared <u>by the person with the right to convene</u>.</li> <li>II. A blank ballot is placed in the <u>ballot</u> box.</li> <li>III. The writing is unclear and indecipherable <u>or has been altered</u>.</li> <li>IV. The candidate whose name is entered in the ballot <u>does not conform to the director candidate list</u>.</li> <li>V. Other words or marks are entered in addition to <u>the number of voting rights allotted</u>.</li> </ul>	Article 9: Ballots are considered void in any of the following circumstances: <ul style="list-style-type: none"> <li>I. It is not a ballot <u>specified under the Rules</u>.</li> <li>II. The ballot has been cast into the ballot box as a blank ballot.</li> <li>III. The writing is unclear and indecipherable.</li> <li>IV. The <u>written name</u> of the candidate <u>is indecipherable</u>.</li> <li>V. There is additional information than the name and account number of the <u>candidate</u>.</li> <li>VI. <u>The candidate's name written in the ballot is the same as other shareholders, but the shareholder number has not been provided for identification</u>.</li> <li>VII. <u>The ballot has not been filled out according to the rules in the ballot remarks</u>.</li> </ul>	1. Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8. 2. Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.
Article 8: <u>The person with the right to convene</u> shall set up the ballot box for the election of directors at <u>the Company</u> . The box shall be inspected openly by the monitoring personnel before voting and it shall be opened by the monitoring and counting personnel after voting.	Article 10: <u>The Board of Directors</u> shall set up the ballot box for the election of directors. The box shall be inspected openly by the monitoring personnel before voting and it shall be opened by the monitoring and counting personnel after voting.	1. Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8. 2. Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.
Article 9: The counting of votes is monitored by the monitoring personnel, and the votes are counted on the spot. The result of the vote is announced by the chairperson on the spot, including the list of directors elected and	Article 11: The counting of votes is monitored by the monitoring personnel, and the votes are counted on the spot. The result of the vote is announced by the chairperson on the spot, including the list of directors elected and	1. Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8. 2. Amended with reference to the

After amendment	Before amendment	Explanation
their voting rights. 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 <u>Article 189 of the Company Act of the place where the listing is made</u> , the ballots shall be retained until the conclusion of the litigation.	their voting rights. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. However, in situations where a shareholder makes a litigious claim against the Company according to <u>the laws of the R.O.C.</u> , the records shall be kept until the litigation is concluded.	Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.
Article 10: The board of directors of the Company shall issue notifications to the persons elected as directors.	Article 12: The board of directors of the Company shall issue notifications to the persons elected as directors.	Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.
Article 11: <u>If directors of the Company are dismissed with reason and less than 5 directors remain, the Company shall hold a by-election at the next shareholders' meeting. However,</u> when the vacancies of directors reach one-third of the board, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days to elect new directors.	Article 13: When the vacancies of directors reaches one-third of the board, <u>the Board of Directors shall convene an extraordinary shareholders' meeting within 30 days to elect new directors, and the terms of office for new directors shall be limited to the time limit for the original appointment. After the Company's public offering of shares,</u> the Board of Directors shall convene an extraordinary shareholders meeting within 60 days for a by-election.	<ol style="list-style-type: none"> <li>Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</li> <li>Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</li> </ol>
Article 12: Where the number of Independent Directors of the Company is <u>less than three (3) persons due to the resignation or discharge</u> of such Independent Directors <u>for any reason</u> , a by-election shall be held by the Company at the next shareholders' meeting. In the event that all of the Independent Directors have been <u>resigned or discharged</u> , the Company <u>shall</u> convene an extraordinary shareholders' meeting to hold a by-election within 60 days from the date of <u>resignation or discharge of the last Independent Director</u> .	Article 14: Where the number of independent directors <u>falls below the minimum specified in the proviso under Paragraph 1, Article 14-2 of the Securities and Exchange Act</u> , a by-election shall be held by the company at the next shareholders' meeting. In the event that all independent directors have been discharged, the Company shall convene an extraordinary shareholders' meeting to hold a by-election within 60 days from the date on which <u>the vacancies arose</u> .	<ol style="list-style-type: none"> <li>Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</li> <li>Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</li> </ol>

After amendment	Before amendment	Explanation
Deleted	<u>Article 15: In the event the elected Directors do not meet the requirements provided in Article 26-3 of the Securities and Exchange Act, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected.</u>	Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.
Deleted	<u>Article 16: The number of directors will be as specified in the Company's Articles of Association, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially as independent directors or non-independent directors.</u>	Moved the original provision to Article 5 and amended certain texts thereof with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.
Article 13: The appointment and qualifications of the Company’s independent directors shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” in the location of the Company’s listing and Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.	Article 16-1: The appointment and qualifications of the Company’s independent directors shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” in the location of the Company’s listing and Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.	Adjusted the article number in line with the deletion of the original provisions of Article 4, 8, 15 and 16.
Deleted	<u>Article 17: For the Company's director and independent director candidate nomination system, regarding review of director and independent director candidate qualifications, education, experience, whether disqualifying circumstances in the laws and regulations of the R.O.C. exist, documentary proof of other qualifications cannot be additionally listed without completing the appropriate procedures. Review results shall be presented to the shareholders as a basis for the consideration and election of suitable directors.</u>	Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.

After amendment	Before amendment	Explanation
	<p><u>Shareholders holding more than 1% of the total issued shares and the Board of Directors may submit a list of candidates for independent directors. The list shall be submitted to the shareholders' meeting after the Board of Directors reviews and approves the qualifications of the independent directors. The shareholders' meeting shall elect the independent directors on the list. The methods of nominating independent director candidates, announcements and other related matters shall be handled in accordance with the relevant laws and regulations of the R.O.C.</u></p>	
Article <u>14</u> : The Rules shall take effect after the approval of the Board of Directors and the Shareholders' Meeting. The same applies to all revisions.	Article <u>18</u> : The Rules shall take effect after the approval of the Board of Directors and the Shareholders' Meeting. The same applies to all revisions.	Adjusted the article number in line with the deletion of the original provision of Article 4, 8, 15, 16 and 17.