



**ThinTech Materials Technology Co., Ltd.**

**2024 Annual General Meeting  
Meeting Handbook**

Time and Date: 9:00 a.m., April 10, 2024(Wednesday)

Location: No.1, Luke 8th Rd., Lujhu District, Kaohsiung  
City, Taiwan

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# **ThinTech Materials Technology Co., Ltd.**

## **Procedure for the Annual General Meeting 2024**

I. Call the meeting to order

II. Chairperson's opening remarks

III. Reports

IV. Proposals

V. Extraordinary motions

VI. Adjournment

### **Important Disclaimer**

To ensure investors can realize the company's financial and business situation easily, all appendices to the English version of the handbook for the 2024 Annual Meeting of Shareholders are easy to read and understand, without use of terminology. Therefore, the company doesn't guarantee the accuracy and completeness of the information. Investors shall be aware of these risks and shall not base on this English version of the handbook for any future investment decision, otherwise the company will not be liable for any loss or damage arising from that.

In the event of any conflict or inconsistency between the English and Chinese versions of the handbook, the Chinese version shall prevail.

# **ThinTech Materials Technology Co., Ltd.**

## **Agenda of Annual General Meeting 2024**

I. Time and Date: 9:00 a.m., April 10, 2024(Wednesday)

II. Form of Shareholders' Meeting: Physical

Location: Conference room, No.1, Luke 8th Rd., Lujhu District, Kaohsiung City, Taiwan

III. Chairperson's opening remarks

IV. Reports

- (I) The Company's 2023 business report and financial statements.
- (II) Report on the distribution of 2023 director remuneration and employee remuneration.
- (III) The Audit Committee's Review Report on the 2023 financial statements.
- (IV) Report on the Company's loans and endorsements/guarantees to external entities as of December 31, 2023.
- (V) Report on proposals made by shareholders, each holding at least 1% of the Company's total issued shares, in accordance with Article 172-1 of the Company Act.
- (VI) Report on the Company's issuance of the third domestic Guaranteed convertible corporate bonds.
- (VII) Report on the Company to acquire 70% of the equity of Changzhou China Steel Precision Material Co., Ltd.

V. Proposals:

- (I) The Company's 2023 business report and financial statements.
- (II) The Company's 2023 statement of earnings distribution.

VI. Extraordinary Motions

VII. Meeting adjourned

# Reports

- I. The Company's 2023 business report and financial statements.  
(Please refer to pages 10-31 of this handbook.)**
- II. Report on the distribution of 2023 director remuneration and employee remuneration.**

**Proposed by the Board of Directors**

## **Description:**

- (I) As per Article 27 of the Articles of Incorporation, “If the Company makes a profit for a year, it shall provide no less than 0.1% as employee remuneration and no more than 1% as director remuneration; the recipients of employee remuneration include employees at subsidiaries who meet certain criteria. ”
  - (II) The Company's 2023 income before tax (before employee remuneration and director remuneration are deducted) is NT\$54,427,933. It is proposed to provide 0.65% of the balance for director remuneration, a total of NT\$352,156, and 5.5% for employee remuneration, a total of NT\$2,993,324, both of which will be paid out in cash.
  - (III) The above amounts for director remuneration and employee remuneration were approved by the 7th meeting of the 9th Board of Directors on February 16, 2024.
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- III. The Audit Committee’s Review Report on the 2023 financial statements.  
(Please refer to page 4 of this handbook.)**

## Attachment

### ThinTech Materials Technology Co., Ltd. Audit Committee's Review Report

The Board of Directors prepared the 2023 parent company only and consolidated financial statements, a statement of earnings distribution, and a business report, among which the parent company only and consolidated financial statements have been audited by Wang, Chao-Chun and Kuo, Lee-Yuan, CPAs at Deloitte & Touche, by whom an audit report, along with an unqualified opinion, has been issued. We have reviewed said documents and did not find any misstatement and hereby issued a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:  
2024 Annual General Shareholders' Meeting,

ThinTech Materials Technology Co., Ltd.

Convener of the Audit Committee:

Liang, Su-Mei

February 16, 2024

**IV. Report on the Company's loans and endorsements/guarantees to external entities as of December 31, 2023.**

**Proposed by the Board of Directors**

**Description:**

**(I) Loaning funds to others**

Unit: NT\$/RMB thousand

Lender	Investee	Limit on loan to each borrower	Ending balance	Amount drawn	Total limit on loans to others	Whether it exceeds limit
TTMC	Taicang Thintech Materials Co., LTD. (TCMC)	358,696 (30% of net worth)	104,107 (RMB24,060)	0 (RMB0)	478,261 (40% of net worth)	None

Note: Amounts in RMB were converted at the average exchange rate of 1 RMB to 4.327 NTD prevailing on December 31, 2023 at the Bank of Taiwan.

**(II) Endorsements/guarantees provided to others**

Unit: NT\$/US\$ thousand

Endorser/guarantor	Party endorsed/guaranteed	Limit of endorsement/guarantee for each party	Highest balance of endorsement/guarantee of this year	Ending balance of endorsements/guarantees	Amount of endorsements/guarantees provided	Whether it exceeds limit
TTMC	TCMC	478,261 (40% of net worth)	275,613 (USD8,500)	260,993 (USD8,500)	118,974 (USD3,874.75)	None

Note: Except for the highest balance of endorsement/guarantee of this year, which was converted at the historical exchange rate, the endorsements/guarantees provided in USD were converted at the average exchange rate of 1 USD to 30.705 NTD prevailing on December 31, 2023 at the Bank of Taiwan.

(III) The Company provided loans or endorsements/guarantees to others within the limit set and did not exceed the limit.

**V. Report on proposals made by shareholders, each holding at least 1% of the Company's total issued shares, in accordance with Article 172-1 of the Company Act:**

During the proposal acceptance period of this year's annual general meeting, the Company did not receive any proposals from shareholders.

**VI. Report on the Company's issuance of the third domestic secured convertible corporate bonds.**

**Proposed by the Board of Directors**

**Description:**

The company issued the third domestic guaranteed convertible corporate bonds on March 21, 2023. As of December 31, 2023, it had accepted one conversion by creditors, and the outstanding balance was NT\$199,900,000. The issuance of the Company third domestic secured convertible corporate bonds was shown below the table.

**ThinTech Materials Technology Co., Ltd.**  
**Issuance of the third domestic secured convertible corporate bonds**

Type of corporate bond	The third domestic secured convertible corporate bonds	
Date of issuance	March 21, 2023	
Par value	NT\$100,000 per unit	
Place of issuance and trading	N/A	
Issue price	NT\$109.8	
Total amount	NT\$200,000,000	
Interest rate	Coupon rate of 0%	
Period	3 years; maturity date: March 21, 2026	
Guarantee agency	Bank SinoPac	
Trustee	The Shanghai Commercial & Savings Bank, Ltd.	
Underwriter	Fubon Securities Co., Ltd.	
Attorney	Attorney Wu, Hsiao-Wei, G&J International Law Office	
CPA	Deloitte & Touche CPAs Wang, Chao-Chun and Liu, Yu-Hsiang,	
Repayment method	Except for the early conversion by bondholders or the early redemption by the Company, the early reverse resale by bondholders, or the redemption by the Company for cancellation, the bonds will be repaid in cash at the par value in a lump sum within ten business days after the maturity date.	
Outstanding principal	NT\$199,900,000	
Redemption or early settlement clause	Please refer to the Company's bond issuance and conversion rules	
Restrictive covenant	None	
Name of credit rating agency, date of credit rating, and corporate bond rating results	None	
Other rights attached	Amount of ordinary shares converted (exchanged or subscribed for), depository receipts, or other securities as of the publication date of the annual report	As of the publication date of the annual report, 1 convertible corporate bond has been converted, with 3,236 shares converted and an amount of NT\$ 32,360.
	Issuance and conversion (exchange or subscription) method	Please refer to the bond issuance information in the credit section on the MOPS
Issuance, conversion, exchange, or subscription method, potential dilution of equity due to issuance conditions, and impact of issuance conditions on existing shareholders' equity	None	
Name of the custodian of the bonds	None	

**VII. Report on the Company to acquire 70% of the equity of Changzhou China Steel Precision Material Co., Ltd (CSPM).**

**Proposed by the Board of Directors**

**Description:**

- (I) The company's transfer to acquire the shares of Changzhou China Steel Precision Materials Co., Ltd.(CSPM) from OmniGains Investment Corp., indirectly held by Gains Investment Corp., the original base date for the conversion shares was set as December 25, 2023. Due to the delay in the application progress and the retention of the original shareholders' rights to dividends, the company and OmniGains was held a board meeting to jointly change the base date for share conversion to May 16, 2024.
- (II) The company has received a letter from the Taipei Exchange on January 25, 2024, agreeing to the share conversion case B (first phase) between the company and OmniGains. In the second stage, the annual financial reports of each participating company will be reviewed by accountants and issued before being submitted to the Taipei Exchange (OTC).

# **Ratifications**

## **Proposal 1 (Proposed by the board of directors)**

**Brief: The Company's 2023 business report and financial statements are submitted for ratification.**

- Notes: I. The Company's 2023 parent company only and consolidated financial statements have been audited by Wang, Chao Chun and Kuo, Lee-Yuan, CPAs at Deloitte & Touche, by whom an audit report with an unqualified opinion has been issued.
- II. The business report and the above financial statements have been reviewed by the Audit Committee with a written report has been issued, in which the committee has confirmed that there is no misstatement discovered. The report is submitted to this annual general meeting for ratification.
- III. Please refer to pages 10-31 of this handbook for the Company's 2023 business report and financial statements.

**Resolution:**

# ThinTech Materials Technology Co., Ltd.

## Business Report 2023

- I. Business strategy
  - Keep track of raw material dynamics to further cut costs and increase efficiency
  - Implement digital transformation in manufacturing to improve competitive advantage
  - Optimize product mix and practice sustainable development
  - Develop advanced technology to enhance core values
- II. Overview of implementation
  - (I) Keep track of raw material trends to further cut costs and increase efficiency :

Global raw material prices remain high which are affected by the Russo-Ukrainian War, geopolitics, and hysteretic inflation in the post-epidemic time. The Company has kept abreast of raw material dynamics, optimized the procurement model, and adopted a local supply chain of materials to further cut the costs and increase efficiency, to produce profitable products stably.
  - (II) Implement digital transformation in manufacturing to improve competitive advantage:

Realize smart manufacturing for achieving growth and transformation, and use cloud connection to gain in-depth insights and instantly develop comprehensive solutions, flexibly adjust the scale of production and operations, effectively promote innovation, and improve price and delivery competitiveness.
  - (III) Optimize product mix and practice sustainable development :

To keep the sustainable development of the enterprise, we explore new processes and new application areas, integrate the advantages of the upstream, midstream and downstream industries, develop so-called “three new” products, which feature high gross profit and high added value, and provide professional services to create customer value.
  - (IV) Develop advanced technology to enhance core values:

Integrate the technical resources of China Steel Corp. Group and work closely with industry-government-university to further reengineer and optimize the process, invest new key facilities, improve product quality and yield, continue to develop new products, and actively innovate and construct semiconductor target manufacturing capability to extend the application fields from packaging to IC manufacturing.
- III. Implementation results of the business operation plan
  - (I) Sales of precious metals

The sales of precious metal products in 2023 were 64 metric tons, a decrease of 8 metric tons, ie. about 11.11% to sales of 72 metric tons in 2022. This is mainly because of the fact that the sales of silver materials were linked to 3C consumer products, which return to pre-epidemic levels, and the slowing down of market demand in 2023.
  - (II) Sales of sputtering targets

The sales of sputtering targets in 2023 were 426 metric tons, a decrease of 483 metric tons from 57 metric tons or about 11.8% in 2022. This is mainly because of the fact that H1 panel manufacturers are adjusting inventory. Although demand of order gradually increased.in the second half of the year, the end of 2023 to 2024Q1 was the off-season for the panel industry, so the recovery in the second half of the year was not as expected.
- IV. Analysis of operating revenue and expenditure and profitability
  - (I) Operating revenue

The 2023 consolidated revenue amounted to NT\$2,405,119 thousand, a decrease of NT\$29,854 thousand or about 15% compared with that in 2022; the 2023 individual revenue amounted to NT\$2,221,090 thousand, a decrease of NT\$67,519 thousand, a decrease of about 2.95% compared with that in 2022.

The decrease in revenue was mainly because the price of precious metals is rising, prompting customers to be more conservative in purchasing materials. On the other hand, customers destocking was affected by the continued downturn in the panel industry market in the first half of 2023, resulting in a reduction in target sales. In the second half of the

year, demand of order recovered but was not as good as in previous years. The company actively catch-up plan was formulated to improve some performance, resulting in consolidated revenue only falling by 4.84% compared with that in last year.

(II) Gross profit

The 2023 consolidated operating gross profit was NT\$197,970 thousand, a decrease of NT\$29,854 thousand or about 15% compared with that in 2022. The decrease in operating gross profit was mainly affected by the downturn in the panel industry, the activation of target industry was low and overall operating costs increased. On the other hand, inflation also increased the price of raw materials, resulting in a decrease in gross profit compared to that in the same period last year..

(III) Net operating income

The 2023 consolidated net operating income was NT\$48,052 thousand, a decrease of NT\$36,834 thousand or about 43.39% compared with that in 2022, which was mainly caused by the decrease in end-customer demand and the insufficient uptime of production lines. In addition, due to the additional cost of information security-related protection measures and the execution of research and development plans, overall operating expenses have increased, resulting in a decrease in operating profits.

(IV) Net non-operating income and expenses

The 2023 consolidated net non-operating income was NT\$3,030 thousand; a decrease of NT\$15,571 thousand compared with that in 2022. This is mainly because of the fact that U.S. dollar interest rate cuts in Q4 has been fermented, and leads to a wave of liquidation of U.S. dollar long positions in international funds. Many factors such as the selling of foreign exchange by exporters, the sharp appreciation of Taiwan dollar, causing evaluation losses on the U.S. dollar positions of deposits and accounts receivable, evaluation benefits of the industry's foreign exchange decrease compared with that in last year.

(V) In summary, the net profit in 2023 was 39,568 thousand yuan, a decrease of 42,435 thousand yuan, or about 51.75%, compared with that in 2022. This was mainly due to the impact of market sentiment and exchange rate. The company will evaluate its business strategies and adjust its product mix based on market feedback and trends, including adding new products and eliminating products that do not meet market demand, to ensure the competitiveness of entire product to share with the ever-changing market environment and create a better environment for the company, multiple growth opportunities and improved long-term competitiveness.

V. Research and development (R&D)

The focus of company's research activity in 2023 is still on the construction of semiconductor target fundamental technology and the development of strategic product. In addition, it also improves the quality of aluminum target products used in the panel industry, expands specialty alloy product development and raw material recycling, etc. In terms of intellectual property, we continue to promote patent management, business secret management, copyright management and protection measures etc.

In response to the current internal situation of the company, we carried out "patent management operations" in 2023, optimizing and revising operating standards for patent application, review, maintenance and evaluation, etc. , completing the annual personnel intellectual property management education, training to improve and implement the intellectual property management level. It develops products such as semiconductor targets and special alloys, recycling and refining technology, hopes to deepen the sustainable development of technology, complete brilliant research and development results in 2023. The major projects are described below.

(I) In total, three “3 new” products, ie. products for new applications and products were produced by new process, and products were completed to accept orders after customer trials, and two strategic new product developments were completed. In addition, seven new process developments for alloyed recording targets for optical discs were completed. , and four patents were applied.

(II) Continue to invest in the technology development of high-purity aluminum alloy, titanium,

- copper, and tantalum targets for wafer-level semiconductors, and establish process methods and operating parameters that optimize thermal mechanical processing and diffusion bonding. At the same time, we carry out effective supply chain integration and low-cost process development to additionally accelerate semiconductor customer certification, secure and establish mass production capabilities, thus enhancing the product competitiveness.
- (III) Continue to improve the aluminum target manufacturing process for TFT-LCD. In addition to improving product quality and increasing product yield, we also continue to evaluate new material sources.
  - (IV) Complete the development of high-purity 5N5 aluminum-copper alloy monolithic targets for semiconductors and a small-batch trial mass production, and negotiate with customers on plans to send samples for verification.
  - (V) Continue to promote specialty alloy-related products, provide cost-effective local supply of cost-effective radiant tubes, pickling-resistant hooks, integrate supply chain services, expand local integrated supply; and develop large-size low-expansion coefficient alloys thin sheets becomes the only one supplier of carrier sheets for panel-level fan-out packaging.
  - (VI) Establish preliminary process technology for copper target remelting, including copper target pre-treatment, smelting, degassing and other process technologies. Construction of low-oxygen and casting process technology will continue to carry out, with raw material economic recycling process technology as the basis mainly to extend the life of raw materials and reduce carbon emissions.
  - (VII) Optimize the large-scale hot-pressing process parameters with local cooperative manufacturers, complete local mass production of medical powder metallurgy composite materials, significantly reduce production costs by about 30%; and complete 2 sets of one-piece low-temperature metal casting process operations, which were delivered not only on schedule but also with high quality.

## Independent Auditor's Report

To ThinTech Materials Technology Co., Ltd.,

### **Audit opinion**

We have audited the accompanying parent company only balance sheets of ThinTech Materials Technology Co., Ltd. (the "Company") for the years ended December 31, 2023 and 2022 and the relevant parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

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

### **Basis of audit opinion**

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company only financial statements" paragraph 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 we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

### **Key audit matters**

Key audit matters refer to the most vital matters in our audit of the Company's parent company only financial statements for the year ended December 31, 2023 based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Company's parent company only financial statements for the year ended December 31, 2023, are stated as follows:

#### Authenticity of revenue from sales of silver materials stored in suppliers' warehouses

The Company's sales revenue of the silver materials stored in suppliers' warehouses were affected by price fluctuations in the market, and the sales revenue of the silver materials stored in suppliers' warehouses was recognized as the Company fulfilled its performance obligations when clients confirmed the spot prices. The Company's main risk arising from the sales revenue is whether the sales revenue recognized at the spot prices of the silver material stored in the suppliers' warehouses actually occurred, so we listed it as a key audit item.

We performed for the following audit procedures:

- I. Learned about and tested the effectiveness of the internal control related to the recognition of sales revenue of the silver materials stored in the suppliers' warehouses;
- II. Selected appropriate samples from the sales revenue from the silver materials stored in the suppliers' warehouses, and checked the spot price supporting documents and proof of receipt of payments;
- III. Obtained the details of the sales returns and discounts during the year and after the balance sheet date and checked whether there were any major unusual returns and discounts.

**Responsibilities of the management and the governing bodies for the financial statements**

The management's responsibilities are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the parent company only financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

**Auditor's responsibilities for the audit of the parent company only financial statements**

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have exercised our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China.

We also performed the following tasks:

- I. Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
- II. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- III. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.

- IV. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
- VI. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2022. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 16, 2024

#### Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and standalone financial statements shall prevail.

ThinTech Materials Technology Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 138,991	8	\$ 176,858	11
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	7,236	1	2,257	-
1139	Financial assets for hedging - current (Notes 4 and 25)	14,007	1	-	-
1150	Notes payable (Notes 4 and 9)	152	-	3,144	-
1170	Accounts receivable, net (Notes 4, 9, and 26)	239,472	14	200,589	12
1200	Other receivables (Note 9)	8,380	1	8,645	1
1210	Other receivables - related party (Note 26)	101	-	196	-
1220	Current income tax assets (Notes 4 and 22)	35	-	983	-
130X	Inventory (Notes 4, 5, and 10)	571,408	34	731,962	44
1410	Prepayments (Note 11 and 26)	59,145	4	29,366	2
1476	Other financial assets - current (Notes 12 and 27)	121,326	7	20,896	1
1479	Other current assets	4,444	-	1,330	-
11XX	Total current assets	<u>1,164,697</u>	<u>70</u>	<u>1,176,226</u>	<u>71</u>
	<b>Non-current assets</b>				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	33,422	2	31,727	2
1550	Investments using the equity method (Notes 4 and 13)	85,912	5	90,977	5
1600	Property, plant and equipment (Notes 4, 14, and 27)	220,758	13	185,075	11
1755	Right-of-use assets (Notes 4 and 15)	105,101	6	111,428	7
1801	Computer software (Note 4)	1,406	-	212	-
1840	Deferred tax assets (Notes 4 and 22)	43,166	3	44,890	3
1920	Guarantee deposits paid (Note 26)	3,312	-	3,542	-
1975	Net defined benefit assets (Notes 4 and 18)	16,021	1	10,886	1
1990	Other non-current assets (Note 9)	854	-	582	-
15XX	Total non-current assets	<u>509,952</u>	<u>30</u>	<u>479,319</u>	<u>29</u>
1XXX	Total assets	<u>\$ 1,674,649</u>	<u>100</u>	<u>\$ 1,655,545</u>	<u>100</u>
	<b>Liabilities and equity</b>				
	<b>Current liabilities</b>				
2126	Financial liabilities for hedging - current (Notes 4 and 25)	\$ 81,032	5	\$ 239,060	14
2130	Contract liabilities - current (Notes 4 and 20)	25,319	1	41,911	3
2170	Accounts payable (Note 26)	11,040	1	7,366	1
2219	Other payables (Notes 17 and 26)	48,856	3	54,298	3
2230	Current tax liabilities (Notes 4 and 22)	8,980	1	-	-
2280	Lease liabilities - current (Notes 4 and 15)	5,671	-	5,686	-
2399	Other current liabilities	1,357	-	1,449	-
21XX	Total current liabilities	<u>182,255</u>	<u>11</u>	<u>349,770</u>	<u>21</u>
	<b>Non-current liabilities</b>				
2530	Bonds payable(Notes 4 and 16)	189,728	12	-	-
2570	Deferred tax liabilities (Notes 4 and 22)	3,693	-	2,589	-
2580	Lease liabilities - non-current (Notes 4 and 15)	103,319	6	108,990	7
25XX	Total non-current liabilities	<u>296,740</u>	<u>18</u>	<u>111,579</u>	<u>7</u>
2XXX	Total liabilities	<u>478,995</u>	<u>29</u>	<u>461,349</u>	<u>28</u>
	<b>Equity (Note 19)</b>				
3110	Ordinary share capital	735,012	44	734,980	44
3200	Capital surplus	352,020	21	324,681	20
	Retained earnings				
3310	Legal reserve	43,142	2	34,666	2
3320	Special reserve	-	-	3,660	-
3350	Undistributed earnings	60,830	4	95,623	6
3300	Total retained earnings	<u>103,972</u>	<u>6</u>	<u>133,949</u>	<u>8</u>
	Other equity				
3410	Exchange differences arising from the translation of the financial statements of foreign operations	( 4,012)	-	( 2,959)	-
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income	8,662	-	3,545	-
3400	Total other equity	<u>4,650</u>	<u>-</u>	<u>586</u>	<u>-</u>
3XXX	Total equity	<u>1,195,654</u>	<u>71</u>	<u>1,194,196</u>	<u>72</u>
	Total liabilities and equity	<u>\$ 1,674,649</u>	<u>100</u>	<u>\$ 1,655,545</u>	<u>100</u>

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

ThinTech Materials Technology Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

Unit: In NT\$ thousand, except for earnings per share in NT\$

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue, net (Notes 4, 20, and 26)	\$ 2,221,090	100	\$ 2,288,609	100
5000	Operating costs (Notes 10, 21, and 26)	<u>2,045,459</u>	<u>92</u>	<u>2,102,155</u>	<u>92</u>
5900	Gross profit	175,631	8	186,454	8
5910	Unrealized gains with subsidiaries	( 2,235)	-	( 413)	-
5920	Realized gains with subsidiaries	<u>413</u>	<u>-</u>	<u>1,866</u>	<u>-</u>
5950	Realized operating gross margins	<u>173,809</u>	<u>8</u>	<u>187,907</u>	<u>8</u>
	Operating expenses (Notes 9, 21, and 26)				
6100	Selling expenses	28,925	1	30,522	1
6200	Administrative expenses	64,012	3	58,370	3
6300	R&D expenses	31,908	2	25,745	1
6450	Expected credit impairment losses (gain on reversal)	<u>96</u>	<u>-</u>	<u>14</u>	<u>-</u>
6000	Total operating expenses	<u>124,941</u>	<u>6</u>	<u>114,651</u>	<u>5</u>
6900	Net operating income	<u>48,868</u>	<u>2</u>	<u>73,256</u>	<u>3</u>
	Non-operating income and expenses (Notes 13, 21 and 26)				
7100	Interest income	6,024	-	3,030	-
7010	Other income	21,086	1	12,919	1
7020	Other gains and losses	( 7,506)	-	12,600	1

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Code		2023		2022	
		Amount	%	Amount	%
7050	Financial costs	(\$ 11,552)	( 1)	(\$ 5,758)	-
7070	Share of profit or loss on subsidiaries and affiliates using the equity method	( 5,838)	-	7,440	-
7000	Total non-operating income and expenses	2,214	-	30,231	2
7900	Net income before tax	51,082	2	103,487	5
7950	Income tax expense (Notes 4 and 22)	11,514	-	21,484	1
8200	Net income for this year	39,568	2	82,003	4
	Other comprehensive income (Notes 13, 18, 19, and 22)				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	3,681	-	3,544	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	1,695	-	5,647	-
8321	Remeasurements of defined benefit plans of affiliates	2	-	( 1)	-
8326	Unrealized gains or losses on affiliates' investment in equity instruments at fair value through other comprehensive income	4,428	-	( 2,344)	-
8349	Income tax related to items not reclassified	( 736)	-	( 709)	-
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	( 1,053)	-	867	-
8300	Other comprehensive income for this year (net of tax)	8,017	-	7,004	-
8500	Total comprehensive income for this year	\$ 47,585	2	\$ 89,007	4

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Code		2023		2022	
		Amount	%	Amount	%
	Earnings per share (Note 23)				
9750	Basic	\$ 0.54		\$ 1.12	
9850	Diluted	0.54		1.11	

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

ThinTech Materials Technology Co., Ltd.  
Parent Company Only Statement of Changes in Equity  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Code	Ordinary share capital	Retained earnings				Other equity items		Total equity
		Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	
A1	\$ 734,980	\$ 324,681	\$ 27,759	\$ 3,450	\$ 84,127	(\$ 3,826)	\$ 1,171,337	
B1	-	-	6,907	-	( 6,907)	-	-	
B3	-	-	-	210	( 210)	-	-	
B5	-	-	6,907	210	(66,148)	-	( 66,148)	
	-	-	-	-	(73,265)	-	( 66,148)	
D1	-	-	-	-	82,003	-	82,003	
D3	-	-	-	-	2,834	-	7,004	
D5	-	-	-	-	84,837	867	89,007	
Q1	-	-	-	-	( 76)	76	-	
Z1	734,980	324,681	34,666	3,660	95,623	( 2,959)	1,194,196	
B1	-	-	8,476	-	( 8,476)	-	-	
B17	-	-	-	( 3,660)	3,660	-	-	
B5	-	-	-	-	(73,498)	-	( 73,498)	
	-	-	8,476	( 3,660)	( 78,314)	-	( 73,498)	
C5	-	27,277	-	-	-	-	27,277	
D1	-	-	-	-	39,568	-	39,568	
D3	-	-	-	-	2,947	( 1,053)	8,017	
D5	-	-	-	-	42,515	( 1,053)	47,585	
II	32	62	-	-	-	-	94	
Q1	-	-	-	-	-	-	-	
	-	-	-	-	1,006	( 1,006)	-	
Z1	735,012	352,020	43,142	\$ -	\$ 60,830	(\$ 4,012)	\$ 1,195,654	

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

ThinTech Materials Technology Co., Ltd.  
Parent Company Only Statement of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax for this year	\$ 51,082	\$103,487
A20010	Income and expense items		
A20100	Depreciation expenses	27,156	28,257
A20200	Amortization expenses	991	758
A20300	Expected credit impairment losses	96	14
A20400	Net loss on financial assets and liabilities at fair value through profit or loss	1,775	5,953
A20900	Financial costs	11,552	5,758
A21200	Interest income	( 6,024)	( 3,030)
A21300	Share of profit on affiliates using the equity method	( 162)	-
A22400	Share of profit or loss on subsidiaries and affiliates using the equity method	5,838	( 7,440)
A22500	Loss (gain) on disposal of property, plant and equipment	( 207)	42
A23800	Losses on inventory valuation loss	4,653	1,057
A29900	Others	1,822	( 1,453)
A30000	Net movements in operating assets and liabilities		
A31115	Financial assets mandatorily at fair value through profit or loss	1,477	( 7,969)
A31130	Notes receivable	2,992	20,338
A31150	Accounts receivable	( 38,979)	90,219
A31180	Other receivables	1,009	9,942
A31200	Inventory	155,901	( 234,452)
A31230	Prepayments	( 29,779)	29,067
A31240	Other current assets	( 3,114)	( 1,312)
A31990	Net defined benefit assets	( 1,454)	( 1,736)
A32120	Financial liabilities for hedging	( 158,028)	76,548
A32125	Contract liabilities	( 16,592)	( 8,705)
A32150	Accounts payable	3,674	( 2,476)
A32180	Other payables	( 10,532)	( 1,799)
A32230	Other current liabilities	( 92)	464
A33000	Cash inflow from operations	5,055	101,532
A33500	Income tax returned (paid)	506	( 7,266)
AAAA	Net cash inflow from operating activities	<u>5,561</u>	<u>94,266</u>

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Code		2023	2022
Cash flows from investing activities			
B00100	Acquisition of financial assets at fair value through other comprehensive income	(\$ 10,000)	\$ -
B01500	Acquisition of Financial assets for hedging	( 12,823)	-
B02700	Acquisition of property, plant and equipment	( 51,688)	( 40,569)
B02800	Proceeds from disposal of property, plant and equipment	473	104
B03800	Decrease in guarantee deposits paid	230	140
B04400	Decrease in other receivables - related party	-	96,871
B04500	Acquisition of computer software	( 1,644)	-
B06500	Increase in other financial assets	( 100,430)	-
B06600	Decrease in other financial assets	-	19,416
B06700	Increase in other non-current assets	( 813)	( 573)
B07500	Interest received	5,375	3,577
B07600	Dividends received from affiliates	782	1,611
B07600	Dividends received from others	<u>162</u>	<u>-</u>
BBBB	Net cash inflows (outflow) from investing activities	<u>( 170,376)</u>	<u>80,577</u>
Cash flows from financing activities			
C00100	Increase in short-term borrowings	484,000	169,000
C00200	Decrease in short-term borrowings	( 484,000)	( 169,000)
C00500	Increase in short-term notes and bills payable	30,000	30,000
C00600	Decrease in short-term notes and bills payable	( 30,000)	( 30,000)
C01200	Proceed from bonds payable	214,263	-
C04020	Repayment of lease principal	( 5,686)	( 5,743)
C04500	Cash dividend paid out	( 73,498)	( 66,148)
C05600	Interest paid	<u>( 8,131)</u>	<u>( 5,758)</u>
CCCC	Net cash inflows (outflow) from financing activities	<u>126,948</u>	<u>( 77,649)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( 37,867)	97,194
E00100	Opening balance of cash and cash equivalents	<u>176,858</u>	<u>79,664</u>
E00200	Ending balance of cash and cash equivalents	<u>\$138,991</u>	<u>\$176,858</u>

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

## Independent Auditor's Report

To ThinTech Materials Technology Co., Ltd.,

### **Audit opinion**

We have audited the accompanying consolidated balance sheets of ThinTech Materials Technology Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2023 and 2022 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and for the years then ended, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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 (FSC) of the Republic of China.

### **Basis of audit opinion**

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" paragraph of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

### **Key audit matters**

Key audit matters refer to the most vital matters in our audit of the Group's consolidated financial statements for the year ended December 31, 2023 based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023, are stated as follows:

#### Authenticity of revenue from sales of silver materials stored in suppliers' warehouses

The Group's sales revenue of the silver materials stored in suppliers' warehouses were affected by price fluctuations in the market, and the sales revenue of the silver materials stored in suppliers' warehouses was recognized as the Group fulfilled its performance obligations when clients confirmed the spot prices. The Group's main risk arising from the sales revenue is whether the sales revenue recognized at the spot prices of the silver material stored in the suppliers' warehouses actually occurred, so we listed it as a key audit item.

We performed for the following audit procedures:

- I. Learned about and tested the effectiveness of the internal control related to the recognition of sales revenue of the silver materials stored in the suppliers' warehouses;
- II. Selected appropriate samples from the sales revenue from the silver materials stored in the suppliers' warehouses, and checked the spot price supporting documents and proof of receipt of payments;
- III. Obtained the details of the sales returns and discounts during the year and after the balance sheet date and checked whether there were any major unusual returns and discounts.

### **Other Matters**

The Company has also prepared the parent company-only financial statements for the years ended December 31, 2023 and 2022, for which we have issued an audit report, along with an unqualified

opinion, for reference.

### **Responsibilities of the management and the governing bodies for the consolidated financial statements**

The management's responsibilities are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and to maintain necessary internal control associated with the preparation in order to ensure that the consolidated financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have exercised our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China.

We also performed the following tasks:

- I. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
- II. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- III. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
- IV. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- V. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
- VI. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 16, 2024

#### Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries  
Consolidated Balance sheets  
December 31, 2023 and 2022

Unit: NT\$ thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>Current assets</b>					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 156,980	9	\$ 200,915	11
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	7,236	-	2,257	-
1139	Financial assets for hedging - current (Notes 4 and 28)	14,007	1	-	-
1150	Notes payable (Notes 4 and 9)	1,018	-	12,702	1
1170	Accounts receivable, net (Notes 4, 9, and 29)	277,004	15	220,039	12
1200	Other receivables (Note 9)	8,384	1	8,654	-
1220	Current income tax assets (Notes 4 and 24)	35	-	1,344	-
130X	Inventory (Notes 4, 5, and 10)	655,059	36	843,693	46
1410	Prepayments (Note 11 and 29)	61,230	3	32,330	2
1476	Other financial assets - current (Notes 12 and 30)	121,326	7	20,896	1
1479	Other current assets	4,464	-	1,435	-
11XX	Total current assets	<u>1,306,743</u>	<u>72</u>	<u>1,344,265</u>	<u>73</u>
<b>Non-current assets</b>					
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	33,422	2	31,727	2
1550	Investments using the equity method (Notes 4 and 14)	33,688	2	29,002	2
1600	Property, plant and equipment (Notes 4, 15, and 30)	266,756	15	240,810	13
1755	Right-of-use assets (Notes 4 and 16)	117,774	6	124,672	7
1801	Computer software (Note 4)	1,406	-	212	-
1840	Deferred tax assets (Notes 4 and 24)	43,166	2	44,890	2
1920	Guarantee deposits paid (Note 29)	3,312	-	3,542	-
1975	Net defined benefit assets (Notes 4 and 20)	16,021	1	10,886	1
1990	Other non-current assets (Note 9)	1,152	-	1,757	-
15XX	Total non-current assets	<u>516,697</u>	<u>28</u>	<u>487,498</u>	<u>27</u>
1XXX	Total assets	<u>\$ 1,823,440</u>	<u>100</u>	<u>\$ 1,831,763</u>	<u>100</u>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
2100	Short-term borrowings (Notes 17 and 30)	\$ 130,892	7	\$ 149,872	8
2126	Financial liabilities for hedging - current (Notes 4 and 28)	81,032	5	239,060	13
2130	Contract liabilities - current (Notes 4 and 22)	25,319	1	45,503	3
2170	Accounts payable (Note 29)	18,342	1	19,765	1
2219	Other payables (Notes 19 and 29)	56,777	3	61,856	4
2230	Current tax liabilities (Notes 4 and 24)	8,980	1	-	-
2280	Lease liabilities - current (Notes 4 and 16)	5,671	-	5,686	-
2399	Other current liabilities	1,357	-	1,449	-
21XX	Total current liabilities	<u>328,370</u>	<u>18</u>	<u>523,191</u>	<u>29</u>
<b>Non-current liabilities</b>					
2530	Bonds payable(Notes 4 and 18)	189,728	10	-	-
2570	Deferred tax liabilities (Notes 4 and 24)	3,693	-	2,589	-
2580	Lease liabilities - non-current (Notes 4 and 16)	103,319	6	108,990	6
2630	Long-term unearned revenue (Notes 4 and 26)	2,676	-	2,797	-
25XX	Total non-current liabilities	<u>299,416</u>	<u>16</u>	<u>114,376</u>	<u>6</u>
2XXX	Total liabilities	<u>627,786</u>	<u>34</u>	<u>637,567</u>	<u>35</u>
<b>Equity attributable to owners of the Company (Note 21)</b>					
3110	Ordinary share capital	<u>735,012</u>	<u>41</u>	<u>734,980</u>	<u>40</u>
3200	Capital surplus	<u>352,020</u>	<u>19</u>	<u>324,681</u>	<u>18</u>
<b>Retained earnings</b>					
3310	Legal reserve	43,142	3	34,666	2
3320	Special reserve	-	-	3,660	-
3350	Undistributed earnings	60,830	3	95,623	5
3300	Total retained earnings	<u>103,972</u>	<u>6</u>	<u>133,949</u>	<u>7</u>
<b>Other equity</b>					
3410	Exchange differences arising from the translation of the financial statements of foreign operations	( 4,012)	-	( 2,959)	-
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income	8,662	-	3,545	-
3400	Total other equity	<u>4,650</u>	<u>-</u>	<u>586</u>	<u>-</u>
3XXX	Total equity	<u>1,195,654</u>	<u>66</u>	<u>1,194,196</u>	<u>65</u>
<b>Total liabilities and equity</b>		<u>\$ 1,823,440</u>	<u>100</u>	<u>\$ 1,831,763</u>	<u>100</u>

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

Unit: In NT\$ thousand, except for earnings per share in NT\$

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue, net (Notes 4, 20, and 29)	\$ 2,405,119	100	\$ 2,527,367	100
5000	Operating costs (Notes 10, 23, and 29)	<u>2,207,149</u>	<u>92</u>	<u>2,299,543</u>	<u>91</u>
5900	Gross profit	<u>197,970</u>	<u>8</u>	<u>227,824</u>	<u>9</u>
	Operating expenses (Notes 9, 20, 23, and 29)				
6100	Selling expenses	39,754	2	45,601	2
6200	Administrative expenses	78,392	3	71,765	3
6300	R&D expenses	31,908	1	25,745	1
6450	Gain on reversal of expected credit impairment	( <u>136</u> )	<u>-</u>	( <u>173</u> )	<u>-</u>
6000	Total operating expenses	<u>149,918</u>	<u>6</u>	<u>142,938</u>	<u>6</u>
6900	Net operating income	<u>48,052</u>	<u>2</u>	<u>84,886</u>	<u>3</u>
	Non-operating income and expenses (Notes 14, 23, 26, and 29)				
7100	Interest income	5,476	-	1,272	-
7010	Other income	21,402	1	12,992	1
7020	Other gains and losses	( 7,903)	-	12,937	-
7050	Financial costs	( 16,996)	( 1)	( 9,546)	-
7060	Share of profit or loss on affiliates using the equity method	<u>1,051</u>	<u>-</u>	<u>946</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>3,030</u>	<u>-</u>	<u>18,601</u>	<u>1</u>
7900	Net income before tax	51,082	2	103,487	4
7950	Income tax expense (Notes 4 and 24)	<u>11,514</u>	<u>-</u>	<u>21,484</u>	<u>1</u>
8200	Net income for this year	<u>39,568</u>	<u>2</u>	<u>82,003</u>	<u>3</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income (Notes 14, 20, 21, and 24)				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	\$ 3,681	-	\$ 3,544	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	1,695	-	5,647	1
8321	Remeasurements of defined benefit plans of affiliates	2	-	( 1 )	-
8326	Unrealized gains or losses on affiliates' investment in equity instruments at fair value through other comprehensive income	4,428	-	( 2,344 )	-
8349	Income tax related to items not reclassified	( 736 )	-	( 709 )	-
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	( 1,053 )	-	867	-
8300	Other comprehensive income for this year (net of tax)	8,017	-	7,004	1
8500	Total comprehensive income for this year	<u>\$ 47,585</u>	<u>2</u>	<u>\$ 89,007</u>	<u>4</u>
8600	Net income for this year attributable to:				
8610	Owners of the Company	<u>\$ 39,568</u>	<u>2</u>	<u>\$ 82,003</u>	<u>3</u>
8700	Total comprehensive income for this year attributable to:				
8710	Owners of the Company	<u>\$ 47,585</u>	<u>2</u>	<u>\$ 89,007</u>	<u>4</u>
	Earnings per share (Note 25)				
9750	Basic	\$ 0.54		\$ 1.12	
9850	Diluted	0.54		1.11	

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Equity attributable to owners of the Company

Code	Description	Equity attributable to owners of the Company				Other equity items		Total equity
		Ordinary share capital	Capital surplus	Retained earnings	Undistributed earnings	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2022	\$ 734,980	\$ 324,681	\$ 27,759	\$ 3,450	\$ 84,127	\$ 166	\$ 1,171,337
	Earnings appropriation and distribution for 2021 (Note 21)							
B1	Legal reserve	-	-	6,907	-	( 6,907)	-	-
B3	Special reserve provided	-	-	-	210	( 210)	-	-
B5	Cash dividend	-	-	-	-	( 66,148)	-	( 66,148)
		-	-	6,907	210	( 73,265)	-	( 66,148)
D1	Net income for 2022	-	-	-	-	82,003	-	82,003
D3	Other comprehensive income after tax for 2022	-	-	-	-	2,834	3,303	7,004
D5	Total comprehensive income for 2022	-	-	-	-	84,837	3,303	89,007
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 21)	-	-	-	-	( 76)	76	-
Z1	Balance as of December 31, 2022	734,980	324,681	34,666	3,660	95,623	3,545	1,194,196
	Earnings appropriation and distribution for 2022 (Note 21)							
B1	Legal reserve	-	-	8,476	-	( 8,476)	-	-
B17	Reversal of special reserve	-	-	-	-	( 73,498)	-	( 73,498)
B5	Cash dividend	-	-	-	( 3,660)	3,660	-	-
		-	-	8,476	( 3,660)	( 78,314)	-	( 73,498)
C5	Equity component of convertible bonds issued by the Company (Note 18)	-	27,277	-	-	-	-	27,277
D1	Net income for 2023	-	-	-	-	39,568	-	39,568
D3	Other comprehensive income after tax for 2023	-	-	-	-	2,947	6,123	8,017
D5	Total comprehensive income for 2023	-	-	-	-	42,515	6,123	47,585
I1	Bonds converted to ordinary shares (Note 18)	32	62	-	-	-	-	94
Q1	Disposal of investment in equity instruments at fair value through other comprehensive income (Note 21)	-	-	-	-	1,006	( 1,006)	-
Z1	Balance as of December 31, 2023	735,012	352,020	43,142	\$ -	60,830	\$ 8,662	\$ 1,195,654

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

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax for this year	\$ 51,082	\$103,487
A20010	Income and expense items		
A20100	Depreciation expenses	35,672	38,621
A20200	Amortization expenses	2,047	3,507
A20300	Gain on reversal of expected credit impairment	( 136)	( 173)
A20400	Net loss on financial assets and liabilities at fair value through profit or loss	1,775	5,953
A20900	Financial costs	16,996	9,546
A21200	Interest income	( 5,476)	( 1,272)
A21300	Share of profit on affiliates using the equity method	( 162)	-
A22300	Gain on disposal of property, plant and equipment	( 1,051)	( 946)
A22500	Financial costs	( 129)	( 296)
A23800	Losses on inventory valuation loss	5,080	1,868
A29900	Others	( 70)	( 71)
A30000	Net movements in operating assets and liabilities		
A31115	Financial assets mandatorily at fair value through profit or loss	1,477	( 7,969)
A31130	Notes receivable	11,684	10,859
A31150	Accounts receivable	( 56,829)	119,693
A31180	Other receivables	1,013	10,163
A31200	Inventory	183,612	( 256,499)
A31230	Prepayments	( 28,900)	34,547
A31240	Other current assets	( 3,029)	( 1,303)
A31990	Net defined benefit assets	( 1,454)	( 1,736)
A32120	Financial liabilities for hedging	( 158,028)	76,548
A32125	Contract liabilities	( 20,184)	( 8,266)
A32150	Accounts payable	( 1,423)	( 15,032)
A32180	Other payables	( 10,168)	( 6,553)
A32230	Other current liabilities	( 92)	464
A33000	Cash inflow from operations	23,307	115,140
A33500	Income tax returned (paid)	860	( 6,976)
AAAA	Net cash inflow from operating activities	<u>24,167</u>	<u>108,164</u>

( Continued on next page )

( Continued from previous page )

Code		2023	2022
	Cash flows from investing activities		
B00100	Acquisition of financial assets at fair value through profit or loss	(\$ 10,000)	\$ -
B01500	Acquisition of Financial assets for hedging	( 12,823)	-
B02700	Acquisition of property, plant and equipment	( 51,920)	( 42,022)
B02800	Proceeds from disposal of property, plant and equipment	1,294	580
B03800	Decrease in guarantee deposits paid	230	140
B04500	Acquisition of computer software	( 1,644)	-
B06500	Increase in other financial assets	( 100,430)	-
B06600	Decrease in other financial assets	-	19,416
B06700	Increase in other non-current assets	( 1,001)	( 876)
B07500	Interest received	4,733	1,316
B07600	Dividends received from affiliates	782	1,611
B07600	Dividends received from others	<u>162</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	<u>( 170,617)</u>	<u>( 19,835)</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	607,294	313,596
C00200	Decrease in short-term borrowings	( 623,777)	( 233,560)
C00500	Increase in short-term notes and bills payable	30,000	30,000
C00600	Decrease in short-term notes and bills payable	( 30,000)	( 30,000)
C01200	Proceed from bonds payable	214,263	-
C04020	Repayment of lease principal	( 5,686)	( 5,743)
C04500	Cash dividend paid out	( 73,498)	( 66,148)
C05600	Interest paid	<u>( 13,575)</u>	<u>( 9,546)</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>105,021</u>	<u>( 1,401)</u>
DDDD	Effect of movements in exchange rates on cash and cash equivalents	<u>( 2,506)</u>	<u>395</u>
EEEE	Net increase (decrease) in cash and cash equivalents	<u>( 43,935)</u>	<u>87,323</u>
E00100	Opening balance of cash and cash equivalents	<u>200,915</u>	<u>113,592</u>
E00200	Ending balance of cash and cash equivalents	<u>\$156,980</u>	<u>\$200,915</u>

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

## **Proposal 2 (Proposed by the board of directors)**

**Brief: The Company's 2023 earnings distribution proposal is submitted for ratification.**

- Notes: I. The Company's 2023 earnings distribution was set out in accordance with Article 28 of the Articles of Incorporation as shown below the table.
- II. The Company proposed to provide NT\$44,100,776 from the distributable earnings. With 73,501,293 shares issued so far, we plan to pay out a cash dividend of NT\$0.6 per ordinary share.
- III. When cash dividends are paid out, the total amount of dividends to be paid out is rounded up to “NT\$1”. We will make up for any difference from the account of company expense. After it is approved by the 2024 annual general meeting, the Chairman is delegated to set the ex-dividend record date and the payout date and decide on other relevant matters.
- IV. Regarding all matters concerning the cash payout proposal, if the number of issued shares on the ex-dividend record date is changed due to laws and regulations, needs, approval by the competent authority, or changes in share capital, resulting in a change of the payout ratio, it is proposed to request the general shareholders' meeting to delegate the Chairman to make adjustments accordingly.

**Resolution:**

## ThinTech Materials Technology Co., Ltd.

### Statement of Earnings Distribution 2023

	Unit: NT\$
Item	Amount
Undistributed earnings at the beginning of the period	17,308,732
Add: Re-measurement of defined benefit plans included in retained earnings	2,944,558
Realized gains or losses on disposal of financial assets	1,006,689
Cumulative gain and loss - remeasurement of defined benefit plans using the equity method	2,058
Add: Net income after tax for the year	39,567,680
10% set aside for a legal reserve	(4,352,099)
Distributable earnings for this period	56,477,618
Distribution:	
Shareholder dividends - cash dividends (NT\$0.6/share)	(44,100,776)
Undistributed earnings at the end of the period	12,376,842

Note: The Company gave priority to the 2023 earnings for distribution.

## **Extraordinary motions**

## **Adjournment**

## **I. Articles of Incorporation of ThinTech Materials Technology Co., Ltd.**

### Chapter I General Provision

- Article 1: The Company is incorporated in accordance with the Company Act and named “ThinTech Materials Technology Co., Ltd”.
- Article 2: The business scope of the Company is as follows:
1. CA01100 Aluminum Rolling, Drawing and Extruding.
  2. CA01130 Copper Rolling, Drawing and Extruding.
  3. CA01990 Other Non-ferrous Metal Basic Industries.
  4. CA04010 Surface Treatments.
  5. CB01010 Mechanical Equipment Manufacturing.
  6. CC01080 Electronics Components Manufacturing.
  7. F401010 International Trade.
  8. F119010 Wholesale of Electronic Materials.
  9. F111090 Wholesale of Building Materials.
  10. C801990 Other Chemical Materials Manufacturing.
  11. C901010 Ceramic and Ceramic Products Manufacturing.
  12. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified.
  13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may provide guarantees to external parties in the same industry for business needs.
- Article 4: The Company is headquartered in Kaohsiung City and may establish branches at home or abroad when necessary by the resolution of the board of directors.
- Article 5: Any and all public announcements to be made by the Company shall comply with Article 28 of the Company Act.

### Chapter II Shares

- Article 6: The Company’s authorized capital is NT\$1.5 billion consisting of 100 million and 5 thousand shares. The par value of each share is NT\$10, and such shares may be issued in tranches. Of the capital in the preceding, an amount of NT\$20 million is reserved for the issuance of employee stock warrants; a total of 2 million shares are to be issued with a par value of NT\$10 per share, which may be issued in tranches by resolution of the board of directors depending on the practical needs.
- Article 6-1: If the Company intends to cancel the public offering, it shall be approved by the board of directors and then passed with two-thirds or more of the voting rights represented by the shareholders present, in person or by deputy, at a shareholders’ meeting attended by shareholders representing more than half of the total number of issued shares before the public offering is canceled.
- Article 7: The Company’s shares are all registered and are issued after being signed or sealed by at least three directors and certified in accordance with the law.  
The Company may be exempted from printing stock certificates and shall register with the centralized securities depository enterprise when issuing shares.  
The Company’s shareholders shall apply for services, such as share ownership transfer, share pledge, reissuance for lost shares, inheritance of shares, shares given as a gift, report of loss of a seal, seal replacement, or address change, in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” unless otherwise provided by laws and securities regulations.  
The Company’s cancellation of the public offering shall be approved by the board of directors and reported to and approved by the shareholders’ meeting. This provision shall not be changed when the Company’s shares are listed on emerging stock market, TWSE, or TPEX.

Article 8: The change of name and transfer of shares shall be suspended 60 days before a general meeting, 30 days before an extraordinary shareholders' meeting, or within five days before the Company decides to pay out dividends, bonuses, or other benefits.

### Chapter III Shareholders' Meetings

Article 9: There are annual general and extraordinary shareholders' meetings. The annual general meeting shall be held by the Board of Directors in accordance with the law once per year within six months after the end of each fiscal year. Extraordinary meetings may be convened at any time as needed.

The annual general and extraordinary shareholders' meetings shall be convened in accordance with the Company Act. Such meetings shall proceed in accordance with the Company's Rules of Procedure for Shareholders' Meetings.

The Company shall notify all shareholders no later than 30 days before convening an annual general meeting or 15 days before convening an extraordinary shareholders' meeting,

The Company shall announce the acceptance of shareholders' proposals and the acceptance location and period for each annual general meeting in accordance with Article 172-1 of the Company Act.

Article 9-1: The Company may hold an annual general meeting or extraordinary shareholders' meeting by video conference (including a shareholders' meeting by video conference or a hybrid shareholders' meeting) or in other methods announced by the central competent authority in accordance with Article 172-2 of the Company Act. However, due to natural disasters, accidents, or other force majeure events, the central competent authority may announce that the Company may hold a shareholders' meeting by video conference or in a method in an announcement made within a certain period of time without specifying it in the Articles of Incorporation.

In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

For the preceding two paragraphs, a public company shall be subject to regulations provided by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

Article 10: Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a deputy to attend the meeting by presenting a deputy form printed by the Company and signed or sealed by the shareholder, indicating the scope of the authorization.

A shareholder may appoint a deputy to attend such a meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority in addition to the Company Act.

Article 11: Resolutions at a shareholders' meeting shall, unless otherwise provided by the Company Act, be adopted by a majority vote of the shareholders present, who represent more than half of the total number of voting shares.

Article 12: The Company's shareholders shall be entitled to one vote for each share held, however, the shares under Article 179 of the Company Act shall be deemed non-voting shares.

Article 13: Resolutions adopted at a meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty days after the close of the meeting. Said distribution may be carried out through public announcement. The meeting minutes shall contain the year, month, day, place, chair's name, and resolution of each shareholders' meeting, record the essentials of the proceedings and their results, and be kept permanently during the Company's existence. The shareholder attendance book and the deputy forms for attendance by deputy shall be kept for at least one year.

### Chapter 4 Directors and the Audit Committee

- Article 14: There shall be seven directors on the board. With a candidate nomination system adopted, directors shall be elected by the shareholders' meeting from the list of candidates to serve a term of three years and may be re-elected.  
After the Company's stock is publicly offered, it may have independent directors in place in compliance with applicable laws and regulations. The number of independent directors shall not be fewer than three and shall not be less than one-third of all directors. They shall be elected by the shareholders' meeting from a list of director candidates. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.  
The Company may purchase directors' liability insurance with respect to liabilities resulting from the performance of their duties during their terms of office.
- Article 15: When the term of office of directors ends and an election of new ones fails to be held in time, their term of office shall be extended until new directors are elected and take office.
- Article 16: When the vacancy of directors reaches one-third of the total number of directors, the board of directors shall hold an extraordinary shareholders' meeting within 60 days for a by-election, but the term of office of new directors elected at the by-election shall only last until the term of office of the existing directors ends.  
The shareholdings of the Company's all directors shall be in compliance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".
- Article 17: The board of directors shall be formed by directors. The Chairman shall be elected by more than half of the directors present at a board meeting attended by at least two-thirds of all directors from among themselves. The Chairman shall execute the business on behalf of the Company externally.  
The reason for convening the board of directors shall be stated in a meeting notice, which shall be sent to all directors no later than seven days in advance. However, in the event of an emergency, the board of directors may be convened at any time. The above meeting notice may be sent by or fax or email.
- Article 18: When the Chairman is on leave or cannot perform duties for a specific reason, his deputy shall be handled in accordance with the applicable provisions of the Company Act.
- Article 19: Unless otherwise provided by the Company Act, the resolutions by the Board of Directors shall be adopted by more than half of the directors present at a board meeting attended by more than half of all directors. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- Article 20: When a director is unable to attend a board meeting for a specific reason, they may appoint another director to attend the board meeting as their deputy and shall, in each case, give to the latter director a deputy stating the scope of authorization with respect to the reasons for the meeting. A deputy under the preceding paragraph may accept entrustment from one person only.
- Article 21: Directors may be paid with remuneration in accordance with the general standard, and the remuneration standard is set by the board of directors with reference to the standards adopted by competitors or publicly listed companies.  
Independent directors' remuneration is paid in a fixed manner on a monthly basis, and they do not participate in the Company's earnings distribution. Their remuneration is determined by the Board of Directors with reference to the standards adopted by competitors or publicly listed companies.  
The Chairman's salary is determined by the board of directors with reference to the general standards adopted by competitors or TWSE-/TPEX-listed companies. The Chairman shall be paid with other benefits in accordance with the applicable regulations on general employees' salary and benefits.
- Article 22: The exercise of powers by the audit committee or its members and relevant matters shall be handled in accordance with the applicable laws and regulations, the Articles of

Incorporation, and organizational charter, or the Securities and Exchange Act.

Article 23: The proceedings of each board meeting shall be recorded in minutes, signed or sealed by the chair, and distributed to all directors within 20 days after the meeting is concluded. The director attendance book and the deputy forms for attendance by deputy shall be kept in the Company.

#### Chapter V Managers

Article 24: The Company shall have a president in place, and the appointment, dismissal, and remuneration thereof shall be handled in accordance with Article 29 of the Company Act.

#### Chapter VI Final Account

Article 25: The Company shall define that a fiscal year begins from January 1 through December 31.

Article 26: At the end of a fiscal year, the board of directors shall prepare the following documents, which shall be approved by the audit committee, submitted to the Board of Directors for resolution, and then submitted to the annual general meeting for ratification.

- I. the business report;
- II. the financial statements; and
- III. the surplus earning distribution or loss off-setting proposals.

Article 27: If the Company makes a profit for a year, it shall provide no less than 0.1% as employee remuneration and no more than 1% as director remuneration; the recipients of employee remuneration include employees at subsidiaries who meet certain criteria. However, profits must first be used to offset a cumulative deficit before amounts of employee remuneration and directors' remuneration are set aside at the above percentages.”

The employee remuneration and directors' remuneration distribution proposal shall be submitted to the Board of Directors for resolution and reported to the shareholders' meeting.

Article 28: Where the Company makes a profit for a fiscal year, the profit shall be first used for paying the tax in accordance with the laws and regulations, offsetting the cumulative deficit, setting aside 10% of the remaining profit as a legal reserve, unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations; and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution.

The industry, in which Company is in, is still growing. We must take into account the current and future operating conditions and focus on the stability of dividends when drawing up a dividend policy. When the Company has cumulative distributable earnings, the amount to be distributed shall not be less than 50%, of which the cash dividends to be distributed shall not be less than 50% of the total amount to be distributed.

#### Chapter VII Supplementary Provisions

Article 29: The total amount of investment by the Company investees is not subject to the restriction of 40% of the paid-in share capital.

Article 30: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and applicable laws and regulations.

Article 31: The Articles of Incorporation and any amendments thereto shall be enforced by resolution of the shareholders' meeting.

Article 32: The Articles of Incorporation were formulated on March 14, 2000.

- The 1st amendment was made on April 6, 2000.
- The 2nd amendment was made on May 29, 2000.
- The 3rd amendment was made on September 6, 2000.
- The 4th amendment was made on March 5, 2001.
- The 5th amendment was made on June 12, 2002.
- The 6th amendment was made on May 7, 2003.
- The 7th amendment was made on May 19, 2004.

The 8th amendment was made on December 21, 2006.  
The 9th amendment was made on June 7, 2007.  
The 10th amendment was made on June 23, 2009.  
The 11th amendment was made on June 22, 2010.  
The 12th amendment was made on June 28, 2011.  
The 13th amendment was made on September 27, 2011.  
The 14th amendment was made on June 24, 2014.  
The 15th amendment was made on June 23, 2015.  
The 16th amendment was made on June 28, 2016.  
The 17th amendment was made on June 14, 2017.  
The 18th amendment was made on June 11, 2018.  
The 19th amendment was made on June 15, 2022.  
The 20th amendment was made on June 16, 2023.

## **II. Rules and Procedure of Shareholders' Meeting of ThinTech Materials Technology Co., Ltd.**

Article 1: To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.

Article 3: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company that will convene a shareholders' meeting by video conference shall expressly specify such meetings in the Articles of Incorporation and have the resolution adopted by the Board of Directors, and shall only proceed to convene such a meeting with the approval of a majority of the directors present at a board meeting attended by two-thirds or more of all directors before to the meeting.

Thirty days before the Company convenes an annual general meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, deputy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. However, when the Company's total shareholding ratio of foreign capital and capital from China reaches 30% or more as per the shareholder register for the annual general meeting held in the most recent fiscal year, shall upload such an electronic file 30 days before the annual general meeting. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency.

The Company shall provide the handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:

- I. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

For shareholders, each holding fewer than 1,000 registered shares, said distribution may be conducted through an announcement on the MOPS.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, paragraph 1 of the Company Act; Article 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an Extraordinary Motion.

Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any Extraordinary Motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the

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

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by deputy at the annual general meeting of shareholders and take part in the discussion of the proposal. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4: For each shareholders' meeting, a shareholder may appoint a deputy to attend the meeting by providing the deputy form issued by the Company and stating the scope of the deputy's authorization.

Each shareholder may issue only one deputy form and appoint only one deputy for any given shareholders' meeting and shall deliver the deputy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate deputy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous deputy form.

Once a deputy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written deputy rescission notice shall be filed with the Company no later than two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized deputy at the meeting shall prevail.

Once the deputy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written deputy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized deputy at the meeting shall prevail.

Article 5: Principles for the venue and time of a shareholders' meeting

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

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.

Article 6: Sign-in procedure and materials to be prepared

The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.

The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting deputy forms shall also bring identification documents for verification.

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

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

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.

Article 6-1: Convening of the shareholders' meeting by video conference and the matters to be included in the meeting notice

When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

- I. Methods of shareholders participating in the video conference and exercising their rights.
- II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
  - (I) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
  - (II) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
  - (III) When a physical shareholders' meeting is convened, along with a video conference, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
  - (IV) The handling method in the event that the resolution results of all motions have been announced, while Extraordinary Motions have not been resolved.
- III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified. Except for the circumstances under Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide shareholders with connection equipment and necessary assistance and announce the period during which shareholders may apply to the Company such equipment and assistance and other relevant matters to be noted.

Article 7: Chair of the shareholders' meeting and attendees in a non-voting capacity

When a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers for a specific reason, the Chairman shall appoint one of the directors to act as the acting chair. Where the Chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the acting chair.

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

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 8: Evidence of the audio or video recordings of the entire process of shareholders' meetings

The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, as well as voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire

video conference.

The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.

If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

Article 9: Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be counted according to the sign-in cards handed in and the sign-in record on the video conference platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

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

Article 10: Proposal discussion

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including Extraordinary Motions or amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

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

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

Article 11: Speeches by shareholders

The chair shall be impartial and independent and enforce the rules of procedure strictly so that such a meeting can proceed smoothly.

Attending shareholders shall be obliged to abide by the rules of procedure, speak politely, and maintain order at the meeting venue.

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

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

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

Article 12: Counting of voting shares

Votes cast at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.

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

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

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the Extraordinary Motions and amendments or alternatives to the original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph no later than two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a deputy with a deputy form to attend the shareholders' meeting, the voting right exercised by the attending deputy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

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

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

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

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced. If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for Extraordinary Motions.

#### Article 14: Elections

When there is an election of directors at a shareholders' meeting, after vote counting is completed, the scrutineers shall verify the total number of valid and invalid votes in accordance with the relevant election and appointment regulations formulated by the Company. After the number is confirmed, the number of valid votes, invalid votes, and the voting rights of both shall be entered in the record sheet; then, the chair shall announce a list of elected directors and the voting rights they won and a list of candidates who lost the election and the voting rights they won on-site.

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

#### Article 15: Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes.

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

Said distribution may be announced through the MOPS.

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

When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

#### Article 16: Public announcement

The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.

#### Article 17: Maintenance of the order of the venue

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

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

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

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: Recess and resumption of a shareholders' meeting

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

If the meeting venue is no longer available for continued use and not all of the items (including Extraordinary Motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

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

Article 19: Disclosure of information at video conferences

When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.

Article 20: Location of the chair and minute taker for shareholders' meeting by video conference only

When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.

Article 21: Response to disconnection

When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.

When a shareholders' meeting is convened by video conference the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Article 44-24, paragraph 24 of the Regulations Governing the Administration of Shareholder Services of Public Companies; and that the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders' meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting at a date as per paragraph 2.

**Article 22: Response to the digital divide**

When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be provided. Except for the circumstances under Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide shareholders with connection equipment and necessary assistance and announce the period during which shareholders may apply to the Company such equipment and assistance and other relevant matters to be noted.

**Article 23:** These Rules and any amendments thereto shall be enforced after being approved by the board of directors and reported to and approved by the shareholders' meeting.

**Article 24: Supplementary Provisions**

- Date of formulation: September 6, 2000.
- Date of the first amendment: June 12, 2002.
- Date of the second amendment: June 23, 2009.
- Date of the third amendment: September 27, 2011.
- Date of the fourth amendment: June 24, 2014.
- Date of the fifth amendment: June 23, 2015.
- Date of the sixth amendment: June 11, 2020.
- Date of the seventh amendment: August 20, 2021.
- Date of the eighth amendment: June 15, 2022.
- Date of the ninth amendment: June 16, 2023.

[Table annexed hereto]

## Table of Directors' Shareholdings

(As of the book closure date of this year's annual general meeting: February 11, 2024)

Job title	Name	Representative shareholder	Number of shares held (Ordinary share)	Shareholding
Chairman	Lee, Chao-Hsiang	Gains Investment Corporation	23,423,016	31.86%
Director	Wu, Chun-Hui	Gains Investment Corporation		
Director	Pan, Lei-Lei	United Renewable Energy Co., Ltd.	7,000,000	9.52%
Director	Fang, Ming-Dar	Ever Wealthy International Corporation	6,119,748	8.32%
Independent Director	Liang, Su-Mei		0	0
Independent Director	Tsai, Ming-Chi		0	0
Independent Director	Fang, Chen-Hua		0	0
Number of shares held by all non-independent directors			36,542,764	49.70%
Number of shares held by all directors			36,542,764	49.70%
Minimum number of shares to be held by all directors			5,880,103	

Note 1: The Company has issued 73,501,293 ordinary shares.