

Stock Code : 8277



Unifosa Corp.

2024 Annual Shareholders' Meeting Meeting Handbook

MEETING TIME : May 29,2024

**PLACE : No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City 111054 , Taiwan (R.O.C.)
(Room 332, 3rd Floor, Teaching Area, Chientan Youth Activity Center)**

Notice to readers

This English-version meeting handbook is translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Unifosa Corp.

Year 2024 Agenda of Annual Meeting of Shareholders

Time : 09:00 a.m. on (Wednesday), May 29, 2024

Place : No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City 111054 , Taiwan
(R.O.C.)

(Room 332, 3rd Floor, Teaching Area, Chientan Youth Activity Center)

Meeting method : Entity shareholders meeting

Meeting Agenda :

I. Call the Meeting to Order (Report the total number of shares attending)

II. Chairperson Remarks

III. Report Items

1. 2023 business report
2. Audit committee's review of the 2023 annual final accounting ledgers and statements
3. 2023 directors' remuneration report

IV. Ratification Items

1. Adoption of the 2023 business report and financial statements
2. Adoption of the proposal for 2023 deficit compensation

V. Discussion Items

1. Discussion of amendment to the company's "Rules and Procedures of Shareholders' Meeting"

VI. Questions and Motions

VII. Adjournment

Report Items

《Report No. 1》

2023 business report.

Explanation :

The 2023 Business Report is attached as pp. [5-7], Annex 1.

《Report No. 2》

Audit committee's review of the 2023 annual final accounting ledgers and statements.

Explanation :

The 2023 Audit Committee's Review Report is attached as pp. [8], Annex 2.

《Report No. 3》

2023 directors' remuneration report.

Explanation :

According to the provisions of Article 10-1 of the " Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies ", the company's directors' remuneration for 2023 includes the remuneration policy, individual remuneration content, amount and correlation with performance evaluation results is attached as pp. [9-10], Annex 3.

Ratification Items

《Ratification No. 1》

Adoption of the 2023 business report and financial statements. (Proposed by the Board)

Explanation :

1. The company's 2023 business report, financial report (including consolidated and individual financial reports), and deficit compensation statement were approved by the 13th meeting of the 11th session of the company's board of directors. The financial report (including consolidated and individual financial reports) The audit was completed by the CPA Chang, Ya-Chuan and Lin, Chin-Feng Crowe Horwath. The aforesaid form has been made and sent to the audit committee of the company for review, and review report is issued.
2. The 2023 business report is attached as pp. [5-7], Annex 1.
3. The financial report and deficit compensation statement is attached as pp. [11-29], Annex 4 and Annex 5.

Ratification :

《Ratification No. 2》

Adoption of the proposal for 2023 deficit compensation. (Proposed by the Board)

Explanation :

1. The company's losses to be made up at the beginning of the 2023 period were NT\$360,579,433 (the same below). After adding in the remeasured amount of the defined benefit plan of NT\$204,993 and the after-tax net loss of NT\$67,425,521 in 2023, the losses to be made up at the end of the period were NT\$427,799,961.
2. 2023 Deficit Compensation Statement is attached as pp. [29], Annex 5.

Ratification :

Discussion Items

《Discussion No. 1》

Discussion of amendment to the company's "Rules and Procedures of Shareholders' Meeting". (Proposed by the Board)

Explanation :

1. In order for the company to be able to hold shareholders' meetings via videoconference, this is based on the GreTai Securities Market (GTSM) on March 23, 2023, No. 11200552441 and the Financial Supervisory Commission R.O.C(Taiwan) on December 08, 2023, No. 1120385664 Letter Amendmens to the reference examples of the "Rules and Procedures of Shareholders' Meeting" and some provisions of the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies", and it is proposed to amend the company's "Rules and Procedures of Shareholders' Meeting".
2. " Rules and Procedures of Shareholders' Meeting " before and after the revision of the provisions of the comparison table is attached as pp. [30-32], Annex 6.

Ratification :

Questions and Motions

Adjournment

● Annex 1

Unifosa Corp. Business Report

Operating Performance in 2023

1. Business plan implementation results

Unit: NT\$ Thousand

Item	2023	2022	increase (Reduce)	increase (Reduce)%
Operating revenue	267,153	353,677	(86,524)	(24.46)%
Gross profit from operations	44,131	62,657	(18,526)	(29.57)%
Net operating Income	(86,632)	(71,402)	(15,230)	(21.33)%
Non-operating income and expenses	(6,166)	1,508	(7,674)	(508.89)%
Profit before income tax	(92,798)	(69,894)	(22,904)	(32.77)%
Net Profit	(92,910)	(69,799)	(23,111)	(33.11)%
Earnings per share (NT\$)	(0.74)	(0.61)	-	-

2. Budget implementation

The memory market has continued to decline since the second quarter of 2022 until it bottomed out in the third quarter of 2023, with prices falling by more than 60% and even falling below the material cost. This wave can be called the longest industrial boom correction period, which has lasted for more than 1.5 years. Mainly due to the pessimistic end demand and market outlook, In order to reduce the huge inventory burden and improve the oversupply market situation, original manufacturers have to improve supply and demand by reducing production capacity. This is probably the first time that this has happened since the global DRAM market formed an oligopoly situation between Samsung, SK Hynix and Micron in 2012. Large-scale production cuts. The company's memory business group originally expected to sell 108 memory modules in 2023, and the actual sales volume was 0, with an achievement rate of 0%. The original estimated sales volume of integrated circuits was 372,164, and the actual sales volume was 98,360, the achievement rate is 26.43%, It is caused by the loss of avoiding the risk of falling prices; In addition, in terms of the storage business group, in 2023, the original estimated sales volume of disk array products was 440 units, and the sales volume of system integration products was 5,134 units. The actual sales volumes were 625 units and 2,557 units respectively, and the achievement rates were 142.05% and 49.81% respectively, the status of the achievement is still considered good.

3. Profitability analysis

Unit: NT\$ Thousand ; %

Item		2023	2022	
Financial income and expenditure	Operating revenue	267,153	353,677	
	Non-operating income and expenses	(6,166)	1,508	
Profitability	Return on asset (%)	-12.83	-9.43	
	Return on equity (%)	-15.89	-11.00	
	Paid-in capital (%)	Operating Income	-9.45	-7.79
		Pre-tax Profit	-10.13	-7.63
	Profit ratio (%)	-34.78	-19.74	
	Earnings per share (NT\$)	(0.74)	(0.61)	

4. Research and development status

In the memory module segment, observing the overall computer market situation in 2023, in terms of motherboards for desktop computers, major suppliers have successively launched motherboards that support DDR5 memory modules. Judging from the specifications launched by various companies, most of them only support DDR5-4800. Although this specification is the basic frequency of DDR5, it is still 1.5 times higher than the 3200MT/s of DDR4. However, because the price is still high and DDR5 memory modules are also expensive, the market has not yet opened. the company's products in 2023 will still be mainly DDR4 modules, and new product development in 2024 will depend on the market acceptance of DDR5 memory and motherboards for related applications.

In terms of storage-related products, our company's 2023 NAS/iSCSI network storage has been developed and updated to replace the 5Bay desktop and 2U rack-mounted 8bay server chassis. The original NAS motherboards with Intel B460 series chipsets can be updated to Intel H410 series chips and can continue to use the original processing. The supply of common materials for processors and memory modules can install and update the disk backplane of the 5Bay desktop platform series. The original SATA Port-Multiplier one-to-five updated design is a SATA five-to-five motherboard to hard drive backplane, which is less likely to limit the speed of one SATA port. This updated proNAS model is not only suitable for mid- to low-end NAS file server applications, it can also be used as a network storage device for NVR surveillance video equipment, providing enterprises with a stable and secure network storage device. In 2024, the company will evaluate according to the degree of customer demand, focusing on the new generation of integrated storage device interface NVMe solid state drive or SAS/SATA/NVMe Tri-mode RAID storage device interface to provide higher storage data transmission Speed and PCIe Gen 4/5 new generation motherboard bus high-speed storage interface storage and development of NAS and other related products.

Business Plan for 2024

1. Operating policy

(1) Perfect financial structure and strengthen management constitution

In view of the importance of strengthening the ability to respond to industrial changes and risks, the company will continue to actively improve the flexibility of working capital in the future, continue to work towards a low-debt business model, and go deep into the detailed aspects of operation, through careful and thorough review and coordination, to formulate A complete and appropriate financial quality plan enables the company to operate steadily under the conditions of a sound financial structure and sufficient working capital, thereby further strengthening the company's operating physique and industrial competitiveness, in order to meet the growth and robustness of the industry after adjustment. Create good results for future operations and profitability.

(2) Committed to operational transformation to cope with industry risks and business climate changes

Under the violent fluctuations of the DRAM industry and the global economy, the company continues to adhere to the business philosophy of "stable operation" and the business of "focusing on core values", in order to respond to the competitive trend of the industry's future development, and to strengthen operating efficiency through resource integration , And expand business areas to expand the scale of operations, thereby achieving the purpose of stable operations, improving operational performance and industrial competitiveness. The company will continue to promote operational transformation in the future, and effectively diversify the DRAM industry's business fluctuations through diversified industrial operations Risks, in addition to developing new products to create business opportunities, and through

equity investment in industrial targets with development potential, to enter new technical fields and industrial development, and to effectively enhance the company's innovation capabilities and expand business development areas. In order to achieve the purpose of enhancing the company's operating performance.

(3) Adopt cost-saving solutions to actively improve operational performance

Under the conservative atmosphere that the demand for traditional PC/NB memory is still shrinking in the face of industry fluctuations, before this unfavorable situation has not improved, the company is not only committed to operating transformation to expand the company's operations, but also consider adopting various cost-saving solutions. , in order to actively improve the company's operating performance, and hope to inject vitality and power into the company's operating performance growth under the double-effect efforts of increasing revenue and reducing expenditure.

2. Expected sales volume and its basis

Looking forward to 2024, it is estimated that in the memory business group, the sales volume of memory modules will be 26,000, and the sales volume of integrated circuits will be 388,800; in the storage business group, the expected sales volume of disk array products will be 855 units, and 3,500 units of system-integrated products.

3. Important marketing policies

- (1) Strengthen the adjustment of process integration, improve the efficiency and flexibility of production management, and pursue maximal production and sales benefits.
- (2) Actively develop product transformation and diversification, expand the breadth of new consumer products, expand market opportunities, and achieve the most effective business model.

Development strategy of the company in the future

1. Actively carry out new product planning and adopt diversified and balanced development as a strategy, commit to diversified and flexible operation planning, and create a business model that emphasizes both stable growth and profitability in order to improve operational performance and industrial competitiveness.
2. Based on the R&D strategy of software and hardware integration, actively adopting core storage technologies that meet the needs of enterprises and the market, standing on mainstream industry trends, developing and integrating niche products with competitive advantages and future applications, and striving to provide customized products with various technical applications The software/hardware equipment for cloud storage is optimized, and the industrial application-oriented storage solution cuts into potential companies and markets that require a large number of storage applications.
3. Through investment and strategic alliances, we seek for industries with forward-looking and development potential, so as to quickly and effectively enter the market and grasp the opportunity of creating a win-win situation.

Chairman : Chen, Ching-jong

General Manager : Chen, Ching-jong

Accounting Department Manager : Chen, Hsiu yu

● **Annex 2**

Audit Committee' s Review Report

It is hereby approved that the board of directors sends the company's 2023 annual business report, financial report (including consolidated and individual financial reports), and loss appropriation proposals and other forms, of which the financial report has been audited by CPA Chang Ya Chuan and Lin Chin Feng of Crowe Horwath United Certified Public Accountants. completed and an audit report was issued. All forms submitted by the board of directors shall, upon examination by the Audit Committee, be found not to be inconsistent, and should be submitted for review in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Unifosa Corp.

Chairman of the Audit Committee : Chen, Chih-Ling

March 8, 2024

● Annex 3

Unifosa Corp.
2023 directors' remuneration report

1. Contents and amounts of individual directors' remuneration

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note1)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note2)		Remuneration from ventures other than subsidiaries or from the parent company		
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C) (Note2)		Allowances (D)				Salary, Bonuses, and Allowances (E) (Note3)		Severance Pay (F) (Note4)		Employee Compensation (G) (Note1)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock		The company	Companies in the consolidated financial statements
Director	Chen, Ching-jong	0	0	0	0	0	0	35	35	0	0	2,809	2,809	0	0	0	0	0	0	0	0	None
Director	Chiang, Tsang-An	0	0	0	0	0	0	35	35	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	Hsiao, Wu-Hsing	0	0	0	0	0	0	35	35	0	0	2,777	2,777	205	205	0	0	0	0	0	0	None
Director	Trump Gain Investments Ltd Wu,Cheng-Teh	0	0	0	0	0	0	30	30	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Chen, Chih-Ling	0	0	0	0	0	0	155	155	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Lee, Wen-Chin	0	0	0	0	0	0	155	155	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Yo, Chi-Thon	0	0	0	0	0	0	155	155	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Wu Xue-Min	0	0	0	0	0	0	65	65	0	0	0	0	0	0	0	0	0	0	0	0	None

Note 1: Due to the loss of the company's 2023 final accounts, the calculation of the percentage of net profit after tax is not applicable.

Note 2: As the company suffered a loss in its final accounts for the year 2023, no compensation to directors and employees was distributed.

Note 3: In addition, one official vehicle for the chairman and general manager and one for the director and general manager of the business group will be provided by leasing. The rent for the year 2023 was NT\$1,497 thousand.

Note 4: According to the regulations of the Taipei Exchange, reveal : The actual amount of retirement pension paid by the company in 2023 is NT\$0, and the amount of withdrawal or withdrawal that is part of the retirement pension expense is NT\$205 thousand.

2. Directors' Remuneration Policy

According to the provisions of the Company's "Directors and Managers' Compensation Management Measures", the design and implementation of the Company's director's salary and remuneration should consider the following policy objectives in order to construct a market-competitive remuneration system :

- (1) Compensation should contribute to the pursuit of the Company's goals and strategic direction in the best interest of the Company as a whole.
- (2) Compensation should be flexible to cope with the risk of changes in the industry.
- (3) Compensation should take into account the two major principles of internal fairness and external competitiveness.
- (4) Compensation should take into consideration the items and proportion of fixed pay, variable pay and other benefits.
- (5) Compensation should be balanced between long-term and short-term performance evaluation.

3. The correlation between directors' remuneration and performance evaluation results

The company's policy, system, standards and structure for remuneration payment to general directors and independent directors, and the correlation with the amount of remuneration paid based on the responsibilities, risks, time invested and other factors is stated :

- (1) In accordance with Article 23 of the company's articles of association, the remuneration of the directors of the company authorizes the board of directors to negotiate and pay according to the degree of participation of the directors in the operation of the company and the value of their contributions and the usual standards of the industry. In addition, in accordance with the provisions of the company's "Directors and Managers' Compensation Management Measures", directors of the company shall be paid unless they hold other concurrent positions and the remuneration shall be agreed upon by the board of directors based on the director's participation in the company's operations and the value of his contribution as well as the usual industry standards. In principle, no salary, job bonus, severance pay, various bonuses and other remuneration will be paid.
- (2) In accordance with Article 29 of the company's articles of association. If the company makes a profit during the year, no more than 2% shall be allocated as directors' remuneration.
- (3) In accordance with the provisions of the Company's "Directors and Managers' Compensation Management Measures" and "Rules for Performance Evaluation of Board of Directors", the remuneration of directors of the Company shall take into account the rationality of the correlation between individual performance evaluation, the company's operating performance and future risks, and specify the performance evaluation methods and evaluation indicators of directors, and periodically assess the performance objectives of the board of Directors and individual directors at the end of December each year, so as to evaluate the performance of the Board of Directors and individual directors. Then allocate the director's remuneration according to the weight of the director's performance appraisal to implement the correlation between the director's remuneration and the performance appraisal results.

● Annex 4

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Unifosa Corp.

Opinion

We have audited the accompanying consolidated financial statements of Unifosa Corp. and subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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

Recognition of Sales Revenue

Taiwan's Standards on Auditing (TWSA) presupposes that there is a higher innate risk of fraud that revenue recognition carries, and there may be pressure on management to achieve expected financial goals, resulting in a higher risk of congenital fraud in revenue recognition. In 2023, the sales revenue of the top ten sales customers of the Group accounted for 53.57% of the annual net operating income, which has a relatively significant impact on the consolidated financial statements, therefore, we consider it a key audit matter.

We address the above mentioned matter by taking main audit procedures as follows:

1. Understand the internal control systems related to such sales transactions, and evaluate the effectiveness of its design and implementation.
2. Understand the customer's background and obtain basic information to assess whether the transaction amount and credit limit are reasonable with the size of the Group.
3. Conduct audit tests on customers' purchasing orders and shipping orders, at the same time, check and verify with external shipping documents, receivables write-off records and certificates of receipts and other relevant information to assess whether they meet the conditions for revenue recognition.

The Evaluation of Impairment for Intangible Assets (including goodwill)

The Group acquired the control of MORELINK TECHNOLOGY CORPORATION in 2020. As of December 31, 2023, the balance of the goodwill and other intangible assets of this merger and acquisition the Group has is NT\$19,800 thousand and 5,773 thousand.

When the management assesses whether these assets are impaired, they must comprehensively consider the assessment of the recoverable amount apportioned to the cash-generating units to which these assets belong. The important assumptions and values involve the subjective judgment of the management and may be affected by the future industry and economic outlooks, and are highly uncertain, the impairment assessment of intangible assets (including goodwill) is hence listed as a key audit matter. For details of investments using the equity method, please refer to Notes 4, 5 and 6 (9) to the Consolidated Financial Statements.

We address the above mentioned matter by taking main audit procedures as follows:

1. Understand and assess management's procedures for identifying signs of impairment of such assets.
2. Assess the professional competence, competency and objectivity of external evaluation experts commissioned by management. Discuss with management the terms of reference of the evaluation expert and review the terms of his appointment to confirm that there are no matters affecting his objectivity or limiting his scope of work, and that the methodology used by the evaluation expert is consistent with International Accounting Standards and its industry norms.
3. Understand the process and basis for management's estimation of the financial data forecast of the cash generating units belonging to such assets from the future operating outlook.

Assessment for Allowance for Inventory Valuation and Obsolescence Losses

The inventory business content of the Group is divided into memory business group, storage business group, wireless communication business group, etc. Their inventories are mainly integrated circuits, memory modules, Redundant Array of Independent Disks (RAID) and wireless communication machinery and equipment etc. Due to fluctuations in market demands and rapid technological changes, management's estimation of net realization value and judgment of inventory obsolescence may be affected, this is hence listed as a key audit matter. For the valuation of inventory allowances against price declines and obsolete losses, please refer to notes 4, 5 and 6 (5) to the consolidated financial statements.

We address the above mentioned matter by taking main audit procedures as follows:

1. Assess whether the provision policy adopted by management to provide for the allowance for the loss for market price decline and obsolete and slow-moving inventories is reasonable and appropriate.
2. Obtain the breakdown of inventory price declines prepared by management, verify whether it is measured by cost and net realizable value whichever is lower, through sampling, and assess the reasonableness of the net realizable value basis used.
3. Obtain inventory aging analysis reports, evaluate inventory status through sample selection, testing of relevant certificates and by participating in and observing year-end inventory takes, so as to assess the adequacy of the allowance for inventory obsolescence loss.

Other Matter

We have also audited the parent Group only financial statements of Unifosa Corp. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the disclosures), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ya-Chuan Chang and Gin-Fong Lin.

FSC approval number: Financial Management Certificate Examination No.1050001113

Crowe (TW) CPAs

Taipei, Taiwan
Republic of China

March 8, 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.

UNIFOSA CORP.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	Note 6(1)	\$ 148,282	21	\$ 201,022	28
Financial assets measured at amortized cost	Note 6(3)	12,000	2	12,912	2
Contract assets	Note 6(15)	13,013	2	-	-
Notes receivable from unrelated parties, net	Note 6(4)	480	-	797	-
Accounts receivable from unrelated parties, net	Note 6(4)	41,843	6	40,581	6
Other accounts receivable	Note 6(4)	226	-	-	-
Current tax assets	Note 6(18)	88	-	16	-
Inventories, net	Note 6(5)	83,790	11	106,327	16
Prepayments		6,180	1	3,971	-
Other current assets		11	-	2	-
Total current assets		305,913	43	365,628	52
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income	Note 6(2)	4,350	-	4,575	-
Investments accounted for using the equity method	Note 6(6)	60,715	8	-	-
Property, plant, and equipment	Note 6(7) and 8	274,832	39	283,682	40
Right-of-use assets	Note 6(8)	14,203	2	6,207	1
Goodwill	Note 6(9)	19,800	3	19,800	3
Other intangible assets	Note 6(9)	5,773	-	6,737	1
Deferred tax assets	Note 6(18)	35	-	147	-
Net defined benefit assets	Note 6(12)	12,288	2	11,730	2
Other non-current assets		15,310	3	9,031	1
Total non-current assets		407,306	57	341,909	48
TOTAL ASSETS		\$ 713,219	100	\$ 707,537	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Contract liabilities	Note 6(15)	\$ 3,431	-	\$ 3,225	-
Notes payable to unrelated parties		-	-	315	-
Accounts payable to unrelated parties		27,475	4	22,380	4
Other payables	Note 6(11)	26,751	4	26,271	4
Lease liabilities	Note 6(8)	4,822	-	2,157	-
Other current liabilities		612	-	542	-
Total current liabilities		63,091	8	54,890	8
NON-CURRENT LIABILITIES					
Deferred tax liabilities	Note 6(18)	2,728	-	2,677	-
Lease liabilities	Note 6(8)	9,514	2	4,097	-
Deposits received		238	-	238	-
Stockholders' current account	Note 7	72,000	11	42,000	6
Total non-current liabilities		84,480	13	49,012	6
Total liabilities		147,571	21	103,902	14
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT GROUP					
Share capital	Note 6(13)	916,288	128	916,288	129
Additional paid-in capital	Note 6(13)	60,849	8	6,998	1
Retained earnings	Note 6(13)				
Legal reserve		7,306	1	7,306	1
Accumulated deficit		(427,800)	(59)	(360,579)	(51)
Total retained earnings		(420,494)	(58)	(353,273)	(50)
Other equity interest	Note 6(13)	(10,694)	(2)	(10,425)	(1)
Total equity attributable to the owners of the parent Group		545,949	76	559,588	79
NON-CONTROLLING INTERESTS	Note 6(13)	19,699	3	44,047	7
Total equity		565,648	79	603,635	86
TOTAL LIABILITIES AND EQUITY		\$ 713,219	100	\$ 707,537	100

UNIFOSA CORP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
OPERATING REVENUE	Note 6(15)	\$ 267,153	100	\$ 353,677	100
OPERATING COSTS	Note 6(5&16)	(223,022)	(84)	(291,020)	(82)
Gross profit from operations		44,131	16	62,657	18
OPERATING EXPENSES	Note 6(16) & 7				
Selling and marketing expenses		(25,060)	(10)	(26,428)	(7)
General and administrative expenses		(59,658)	(22)	(62,578)	(18)
Research and development expenses		(46,045)	(17)	(45,053)	(13)
Total operating expenses		(130,763)	(49)	(134,059)	(38)
LOSS FROM OPERATIONS		(86,632)	(33)	(71,402)	(20)
NON-OPERATING INCOME AND EXPENSES					
Interest income		1,509	1	790	-
Other gains and losses	Note 6(17)	2,957	1	7,002	1
Finance costs	Note 7	(2,204)	(1)	(973)	-
Share of loss of associates and joint ventures accounted for using the equity method	Note 6(6)	(8,428)	(3)	(5,311)	(1)
Total non-operating income and expenses		(6,166)	(2)	1,508	-
LOSS BEFORE INCOME TAX		(92,798)	(35)	(69,894)	(20)
INCOME TAX (EXPENSE) BENEFIT	Note 6(18)	(112)	-	95	-
NET LOSS		(92,910)	(35)	(69,799)	(20)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	Note 6(12)	256	-	6,367	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Note 6(13)	(225)	-	(855)	-
Income tax relating to items that will not be reclassified to profit or loss	Note 6(18)	(51)	-	(1,273)	-
		(20)	-	4,239	1
Items that will be reclassified to profit or loss:					
Share of other comprehensive income or loss of associates and joint ventures accounted for using the equity method	Note 6(13)	(44)	-	-	-
Income tax relating to items that will be reclassified to profit or loss	Note 6(18)	-	-	-	-
		(44)	-	-	-
Other comprehensive income for the year (net of income tax)		(64)	-	4,239	1
TOTAL COMPREHENSIVE INCOME		\$ (92,974)	(35)	\$ (65,560)	(19)
Net loss attributable to:					
Owners of the parent Group		\$ (67,426)	(25)	\$ (56,055)	(16)
Non-controlling interests		(25,484)	(10)	(13,744)	(4)
		\$ (92,910)	(35)	\$ (69,799)	(20)
Total comprehensive income attributable to:					
Owners of the parent Group		\$ (67,490)	(25)	\$ (51,816)	(15)
Non-controlling interests		(25,484)	(10)	(13,744)	(4)
		\$ (92,974)	(35)	\$ (65,560)	(19)
EARNINGS PER SHARE	Note 6(19)				
Basic earnings per share		\$ (0.74)		\$ (0.61)	
Diluted earnings per share		\$ (0.74)		\$ (0.61)	

UNIFOSA TECHNOLOGY CO., LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Equity Attributable to the Owners of the Parent Group									Non-Controlling Interests	Total Equity
	Retained Earnings				Other Equity Items	Unrealized Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity Attributable to the Owners of the Parent Group				
	Share Capital	Additional Paid-In Capital	Legal Reserve	Accumulated Deficit	Foreign exchange differences on translation of financial statements from Foreign Operations						
BALANCE, JANUARY 1, 2022	\$ 916,288	\$ 6,998	\$ 7,306	\$ (298,490)	\$ -	\$ (9,570)	\$ 622,532	\$ 42,476	\$ 665,008		
Net loss for the year ended December 31, 2022	-	-	-	(56,055)	-	-	(56,055)	(13,744)	(69,799)		
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	5,094	-	(855)	4,239	-	4,239		
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	(50,961)	-	(855)	(51,816)	(13,744)	(65,560)		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(11,128)	-	-	(11,128)	-	(11,128)		
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	15,315	15,315		
BALANCE, DECEMBER 31, 2022	916,288	6,998	7,306	(360,579)	-	(10,425)	559,588	44,047	603,635		
Changes in equity of associates and joint ventures accounted for using the equity method	-	53,587	-	-	-	-	53,587	-	53,587		
Net loss for the year ended December 31, 2023	-	-	-	(67,426)	-	-	(67,426)	(25,484)	(92,910)		
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	205	(44)	(225)	(64)	-	(64)		
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(67,221)	(44)	(225)	(67,490)	(25,484)	(92,974)		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(216)	-	-	-	-	(216)	-	(216)		
Changes in ownership interests in subsidiaries	-	480	-	-	-	-	480	-	480		
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	1,136	1,136		
BALANCE, DECEMBER 31, 2023	\$ 916,288	\$ 60,849	\$ 7,306	\$ (427,800)	\$ (44)	\$ (10,650)	\$ 545,949	\$ 19,699	\$ 565,648		

UNIFOSA TECHNOLOGY CO., LTD.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (92,798)	\$ (69,894)
Adjustments for:		
Depreciation expenses	15,027	16,650
Amortization expenses	964	964
Interest expenses	2,204	973
Interest income	(1,509)	(790)
Share of loss of associates and joint ventures accounted for using the equity method	8,428	5,311
Net movement in operating assets		
Increase in contract assets	(13,013)	-
Decrease (increase) in notes receivable from unrelated parties, net	317	(453)
Increase in accounts receivable from unrelated parties, net	(1,262)	(460)
Decrease (increase) in other accounts receivable	(156)	25
Decrease (increase) in inventories, net	22,420	(7,398)
Decrease (increase) in prepayments	(2,209)	438
Decrease (increase) in other current assets	(9)	14
Decrease (increase) in other operating assets	(302)	3,370
Net movement in operating liabilities		
Increase in contract liabilities	206	1,419
Increase (decrease) in notes payable to unrelated parties	(315)	315
Increase (decrease) in accounts payable to unrelated parties	5,095	(2,079)
Increase (decrease) in other payable	277	(1,463)
Increase in other current liabilities	70	17
Cash Outflows in operations	(56,565)	(53,041)
Interest received	1,439	790
Interest paid	(2,001)	(850)
Income tax refund paid	(72)	22
Net cash outflows used in operating activities	(57,199)	(53,079)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets measured at amortized cost	912	17,940
Acquisition of investments accounted for using equity method	(15,600)	-
Payments for property, plant and equipment	(1,241)	(1,975)
Increase in other non-current assets	(6,279)	-
Decrease in other non-current assets	-	2,528
Net cash flows used in investing activities	(22,208)	18,493
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits received	-	52
Repayment of principal portion of lease liabilities	(4,733)	(4,611)
Changes in non-controlling interests	1,400	4,187
Other financing activities	30,000	12,000
Net cash flows generated from (used in) financing activities	26,667	11,628
NET DECREASE IN CASH AND CASH EQUIVALENTS	(52,740)	(22,958)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	201,022	223,980
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 148,282	\$ 201,022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Unifosa Corp.

Opinion

We have audited the accompanying parent company only financial statements of Unifosa Corp. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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

The Recognition of Sales Revenue

Taiwan's Standards on Auditing (TWSA) presupposes that there is a higher innate risk of fraud that revenue recognition carries, and there may be pressure on management to achieve expected financial goals, resulting in a higher risk of congenital fraud in revenue recognition. In 2023, the sales revenue of the top ten sales customers of Unifosa Corp. accounted for 50.77% of the annual net operating income, which has a relatively significant impact on the parent company only financial statements, therefore, we consider it a key audit matter.

We address the above-mentioned matter by taking main audit procedures as follows:

1. Understand the internal control systems related to such sales transactions, and evaluate the effectiveness of its design and implementation.
2. Understand the customer's background and obtain basic information to assess whether the transaction amount and credit limit are reasonable with the size of the company.

3. Conduct audit tests on customers' purchasing orders and shipping orders, at the same time, check and verify with external shipping documents, receivables write-off records and certificates of receipts and other relevant information to assess whether they meet the conditions for revenue recognition.

The Evaluation of Impairment for Investment Using Equity Method (including goodwill and intangible assets)

Unifosa Corp. acquired the control of MORELINK TECHNOLOGY CORPORATION in 2020. As of December 31, 2023, the balance of the investment using equity method of this merger and acquisition the Company has is NT\$43,134 thousand (including goodwill at \$19,800 thousand and intangible assets of 5,773 thousand).

For Unifosa Corp., Morelink Technology Corporation is an independent cash generating unit, and the recoverable amount of investments (including goodwill and intangible assets) using the equity method is measured according to its future operating cash flows. As these assumptions involve management's subjective judgment and may be affected by future industrial and economic outlooks, and are highly uncertain, the Evaluation of impairment of investments using the equity method is listed as a key audit matter. For details of investments using the equity method, please refer to Notes 4, 5 and 6 (5) to the Parent Company Only Financial Statements.

We address the above-mentioned matter by taking main audit procedures as follows:

1. Understand and assess management's procedures for identifying signs of impairment of such assets.
2. Assess the professional competence, competency and objectivity of external evaluation experts commissioned by management. Discuss with management the terms of reference of the evaluation expert and review the terms of his appointment to confirm that there are no matters affecting his objectivity or limiting his scope of work, and that the methodology used by the evaluation expert is consistent with International Accounting Standards and its industry norms.
3. Understand the process and basis for management's estimation of the financial data forecast of the cash generating units belonging to such assets from the future operating outlook.

Evaluation for Allowance for Inventory Valuation and Obsolescence Losses

The inventory business content of Unifosa Corp. is divided into memory business group and storage business group, which may affect management's estimation of net realization value and judgment of inventory obsolescence due to fluctuations in market demands and rapid technological changes, so it is listed as a key audit matter. For the valuation of inventory allowances against price declines and obsolete losses, please refer to notes 4, 5 and 6 (4) to the Parent Company Only Financial Statements.

We address the above-mentioned matter by taking main audit procedures as follows:

4. Assess whether the provision policy adopted by management to provide for the allowance for the loss for market price decline and obsolete and slow-moving inventories is reasonable and appropriate.
5. Obtain the breakdown of inventory price declines prepared by management, verify whether it is measured by cost and net realizable value whichever is lower, through sampling, and assess the reasonableness of the net realizable value basis used.
6. Obtain inventory aging analysis reports, evaluate inventory status through sample selection, testing of relevant certificates and by participating in and observing year-end inventory takes, so as to assess the adequacy of the allowance for inventory obsolescence loss.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, (including the disclosures) and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ya-Chuan Chang and Chin-Feng Lin. FSC approval number: Financial Management Certificate Examination No.1050001113

Crowe (TW) CPAs

Taipei, Taiwan
Republic of China

March 8, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

UNIFOSA CORP.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	Note 6(1)	\$ 107,084	18	\$ 150,797	25
Notes receivable from unrelated parties, net	Note 6(3) and (12)	480	-	772	-
Accounts receivable from unrelated parties, net	Note 6(3)	33,415	6	26,417	4
Other accounts receivable	Note 6(3) and 7	132	-	105	-
Current tax assets	Note 6(15)	65	-	16	-
Inventories, net	Note 6(4)	24,821	4	39,247	7
Prepayments		1,314	-	741	-
Other current assets		11	-	2	-
Total current assets		<u>167,322</u>	<u>28</u>	<u>218,097</u>	<u>36</u>
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income	Note 6(2)	4,350	-	4,575	1
Investments accounted for using the equity method	Note 6(5)	135,289	24	96,620	16
Property, plant and equipment	Note 6(6) and 8	262,386	44	265,054	43
Right-of-use assets	Note 6(7)	7,403	1	5,402	1
Deferred tax assets	Note 6(15)	11	-	141	-
Net defined benefit assets	Note 6(10)	12,288	2	11,730	2
Other non-current assets		8,049	1	6,825	1
Total non-current assets		<u>429,776</u>	<u>72</u>	<u>390,347</u>	<u>64</u>
TOTAL ASSETS		<u>\$ 597,098</u>	<u>100</u>	<u>\$ 608,444</u>	<u>100</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Contract liabilities	Note 6(12)	\$ 2,530	-	\$ 2,047	-
Accounts payable to unrelated parties		20,437	4	21,629	4
Other payables	Note 6(9)	16,861	3	15,982	3
Lease liabilities	Note 6(7)	1,845	-	1,312	-
Other current liabilities		381	-	374	-
Total current liabilities		<u>42,054</u>	<u>7</u>	<u>41,344</u>	<u>7</u>
NON-CURRENT LIABILITIES					
Deferred tax liabilities	Note 6(15)	2,728	-	2,677	-
Lease liabilities	Note 6(7)	5,629	1	4,097	1
Deposits received		738	-	738	-
Total non-current liabilities		<u>9,095</u>	<u>1</u>	<u>7,512</u>	<u>1</u>
Total liabilities		<u>51,149</u>	<u>8</u>	<u>48,856</u>	<u>8</u>
EQUITY					
Share capital	Note 6(11)	916,288	154	916,288	151
Additional paid-in capital	Note 6(11)	60,849	10	6,998	1
Retained earnings	Note 6(11)				
Legal reserve		7,306	1	7,306	1
Accumulated deficit		(427,800)	(71)	(360,579)	(59)
Total retained earnings		<u>(420,494)</u>	<u>(70)</u>	<u>(353,273)</u>	<u>(58)</u>
Other equity interest	Note 6(11)	(10,694)	(2)	(10,425)	(2)
Total equity		<u>545,949</u>	<u>92</u>	<u>559,588</u>	<u>92</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 597,098</u>	<u>100</u>	<u>\$ 608,444</u>	<u>100</u>

UNIFOSA CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
OPERATING REVENUE	Note 6(12) and 7	\$ 194,599	100	\$ 302,089	100
OPERATING COSTS	Note 6(4 and 13)	(152,648)	(79)	(262,517)	(87)
Gross profit from operations		41,951	21	39,572	13
Unrealized gain (loss) from sale	Note 6(5)	(9)	-	(9)	-
Realized loss from sale	Note 6(5)	9	-	(150)	-
GROSS PROFIT, NET		41,951	21	39,413	13
OPERATING EXPENSES	Note 6(13) and 7				
Selling and marketing expenses		(18,522)	(9)	(20,113)	(7)
General and administrative expenses		(37,441)	(19)	(38,272)	(12)
Research and development expenses		(14,819)	(8)	(14,513)	(5)
Total operating expenses		(70,782)	(36)	(72,898)	(24)
LOSS FROM OPERATIONS		(28,831)	(15)	(33,485)	(11)
NON-OPERATING INCOME AND EXPENSES					
Interest income		1,081	-	611	-
Other gains and losses	Note 6(14) and 7	11,159	6	15,053	5
Finance costs		(167)	-	(34)	-
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	Note 6(5)	(50,538)	(26)	(38,299)	(13)
Total non-operating income and expenses		(38,465)	(20)	(22,669)	(8)
LOSS BEFORE INCOME TAX		(67,296)	(35)	(56,154)	(19)
INCOME TAX (EXPENSE) BENEFIT	Note 6(15)	(130)	-	99	-
NET LOSS		(67,426)	(35)	(56,055)	(19)

(Continued)

		2023		2022	
		Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	Note 6(10)	256	-	6,367	2
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	Note 6(11)	(225)	-	(855)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	Note 6(15)	(51)	-	(1,273)	-
		<u>(20)</u>		<u>4,239</u>	<u>2</u>
Items that will be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	Note 6(11)	(44)	-	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	Note 6(15)	-	-	-	-
		<u>(44)</u>		<u>-</u>	<u>-</u>
Other comprehensive income for the year (net of income tax)		<u>(64)</u>		<u>4,239</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ (67,490)</u>	<u>(35)</u>	<u>\$ (51,816)</u>	<u>(17)</u>
EARNINGS PER SHARE					
		Note 6(16)			
Basic earnings per share		<u>\$ (0.74)</u>		<u>\$ (0.61)</u>	
Diluted earnings per share		<u>\$ (0.74)</u>		<u>\$ (0.61)</u>	

UNIFOSA CORP.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital	Additional paid-in capital	Retained Earnings		Other Equity Items		Total Equity
			Legal Reserve	Accumulated deficit	Exchange differences on translation of foreign financial statements	Unrealized losses on financial assets measured at fair value through other comprehensive income	
BALANCE, JANUARY 1, 2022	\$ 916,288	\$ 6,998	\$ 7,306	\$ (298,490)	\$ -	\$ (9,570)	\$ 622,532
Net loss for the year ended December 31, 2022	-	-	-	(56,055)	-	-	(56,055)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	5,094	-	(855)	4,239
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	(50,961)	-	(855)	(51,816)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(11,128)	-	-	(11,128)
BALANCE, DECEMBER 31, 2022	916,288	6,998	7,306	(360,579)	-	(10,425)	559,588
Changes in equity of associates and joint ventures accounted for using the equity method	-	53,587	-	-	-	-	53,587
Net loss for the year ended December 31, 2023	-	-	-	(67,426)	-	-	(67,426)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	205	(44)	(225)	(64)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(67,221)	(44)	(225)	(67,490)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	264	-	-	-	-	264
BALANCE, DECEMBER 31, 2023	\$ 916,288	\$ 60,849	\$ 7,306	\$ (427,800)	\$ (44)	\$ (10,650)	\$ 545,949

UNIFOSA CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (67,296)	\$ (56,154)
Adjustments for:		
Depreciation expenses	4,594	4,325
Interest expenses	167	34
Interest income	(1,081)	(611)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	50,538	38,299
Unrealized gain from sale	9	9
Realized loss (gain) from sale	(9)	150
Net movements in operating assets		
Decrease (increase) in notes receivable from unrelated parties, net	292	(428)
Decrease (increase) in accounts receivable from unrelated parties, net	(6,998)	5,894
Decrease in accounts receivable from related parties, net	-	920
Decrease (increase) in other accounts receivable	(27)	26
Decrease (increase) in inventory, net	14,309	(11,379)
Increase in prepayments	(573)	(26)
Decrease (increase) in other current assets	(9)	14
Decrease (increase) in other operating assets	(302)	3,370
Net movements in operating liabilities		
Increase in contract liabilities	483	1,847
Decrease in accounts payable to unrelated parties	(1,192)	(2,057)
Decrease (increase) in other payable	879	(1,396)
Increase in other current liabilities	7	50
Cash outflow from operations	(6,209)	(17,113)
Interest received	1,081	611
Interest paid	(167)	(34)
Income tax refund (paid)	(49)	22
Net cash outflows in operating activities	(5,344)	(16,514)

(Continued)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(35,400)	(33,813)
Increase in other non-current assets	(1,224)	-
Decrease in other non-current assets	-	2,462
Net cash outflows in investing activities	<u>(36,624)</u>	<u>(31,351)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits received	-	52
Repayment of principal portion of lease liabilities	(1,745)	(1,508)
Net cash outflows in financing activities	<u>(1,745)</u>	<u>(1,456)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(43,713)</u>	<u>(49,321)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	150,797	200,118
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 107,084</u>	<u>\$ 150,797</u>

● Annex 5

Unifosa Corp.
Deficit Compensation Statement
2023

Unit: NTDS\$

Items	Total
Unappropriated retained earnings (or accumulated deficit) of prior years	(360,579,433)
Remeasurements of the net defined benefit plan	204,993
Adjusted retained earnings - unappropriated	(360,374,440)
Loss after tax for 2023	(67,425,521)
Deficit yet to be compensated – at the end of 2023	(427,799,961)

Chairman : Chen, Ching-jong

General Manager : Chen, Ching-jong

Accounting Department Manager : Chen, Hsiu yu

● Annex 6

Unifosa Corp.

「 Rules and Procedures of Shareholders' Meeting 」

Comparison table of provisions before and after amendment

Terms	Original clause	Amended provision	Correction reason
Article 3	<p>(Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders</u></p>	<p>(Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p><u>When a company convenes a video meeting of shareholders, unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, it should be stated in the articles of Incorporation and approved by the board of directors. The video conference of shareholders should be approved by the board of directors with more than two-thirds of the directors present and The resolution shall be passed with the approval of more than half of the directors present.</u></p> <p>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda</u></p>	<p>In order to cooperate with the GreTai Securities Market (GTSM) on March 23, 2023, No. 11200552441 and the Financial Supervisory Commission R.O.C(Taiwan) on December 08, 2023, No. 1120385664 Letter Amendmen.</p>

	<p><u>and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u> In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p>(omitted below)</p>	<p>and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p>(omitted below)</p>	
<p>Article 6-1</p>	<p>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session. C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders 	<p>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session. C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders 	

	<p>meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>	<p>meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p> <p><u>Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which shareholders can apply to the company and other relevant matters should be noted.</u></p>	
Article 22	<p>(Handling of digital divide) When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p>	<p>(Handling of digital divide) When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p> <p><u>Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which</u></p>	

		<u>shareholders can apply to the company and other relevant matters should be noted.</u>	
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● Appendices 1

Unifosa CORP. Articles of Incorporation Chapter I General Provisions

- Article 1 This company is organized in accordance with the provisions of the Company Act and shall be named Unifosa CORP. (hereinafter, “the Company”).
- Article 2 The Company’s scope of business is as follows:
001 CB01020 Office Machines Manufacturing
002 CC01060 Wired Communication Equipment and Apparatus Manufacturing
003 CC01070 Telecommunication Equipment and Apparatus Manufacturing
004 CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
005 CC01080 Electronic Parts and Components Manufacturing
006 CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
007 CC01110 Computers and Computing Peripheral Equipments Manufacturing
008 CE01030 Photographic and Optical Equipment Manufacturing
009 E605010 Computing Equipments Installation Construction
010 E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
011 E701040 Basic Telecommunications Equipment Construction
012 F113050 Wholesale of Computing and Business Machinery Equipment
013 F113070 Wholesale of Telecom Instruments
014 F114030 Wholesale of Motor Vehicle Parts and Supplies
015 F116010 Wholesale of Photographic Equipment
016 F118010 Wholesale of Computer Software
F17 F119010 Wholesale of Electronic Materials
018 F213030 Retail sale of Computing and Business Machinery Equipment
019 F213060 Retail Sale of Telecom Instruments
020 F214030 Retail Sale of Motor Vehicle Parts and Supplies
021 F216010 Retail Sale of Photographic Equipment
022 F218010 Retail Sale of Computer Software
023 F219010 Retail Sale of Electronic Materials
024 F401010 International Trade
025 F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
026 F601010 Intellectual Property
027 I199990 Other Consultancy
028 I301010 Software Design Services
029 I501010 Product Designing
030 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company is headquartered in Taipei City, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.
- Article 4 Deleted

Chapter II Shares

- Article 5 The authorized capital of the Company is NT\$2 billion, consisting of 200 million shares, all of common stock, with a par value of NT\$10 per share. The shares in separate installments as required. Of which NT\$30 million are consisting of 3 million shares, reserved to served as subscription warrants for employees.

- Article 6 The total amount of the re-investment of the company shall not be subject to the restriction of article 13 of the company law that the re-investment shall not exceed 40% of the paid-in share capital. The board of directors shall be authorized to make operational decisions on the reinvestment.
- Article 7 The share certificates of the Company shall without exception be in registered form, signed or stamped by directors representing the company, and authenticated by the competent governmental authority upon issuance.
Shares issued by the Company need not be in certificate form. However the Company shall request the securities central depository institution for custody or registration of the certificates issued.
- Article 7-1 Deleted
- Article 8 When the shares are transferred, the assignor and assignee shall fill in the application form, sign and seal the delivery, and send the company to apply for transfer of ownership. Prior to the completion of the transfer procedures, the transfer shall not be against the company.
- Article 9 The handling of the company's stock affairs shall be conducted in accordance with the company law and the " Regulations Governing the Administration of Shareholder Services of Public Companies " promulgated by the competent authority.
- Article 10 Transfer of shares shall be suspended within 60 days before any general shareholders' meeting, within 30 days before any special shareholders' meeting, and within five days before the base date on which dividends, bonuses or other interest are scheduled to be paid by the Company.

Chapter III Shareholders' Meeting

- Article 11 The shareholders' meeting of the company is divided into the following two types:
1. The regular meeting of shareholders shall be convened within six months after the end of each fiscal year.
2. Extraordinary shareholders meetings may be called in accordance and whenever necessary.
The shareholders' meetings of the Company may be held by video conference or other means announced by the central competent authority. The conditions, operating procedures and other matters to be followed for the adoption of a video shareholders' meeting shall be in accordance with the relevant regulations of the competent securities authorities.
- Article 12 The shareholders' meeting shall be convened .The meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair, the shareholders' meeting shall be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.
- Article 13 Thirty days before the convening of the regular shareholders meeting or 15 days before the convening of a extraordinary shareholders meeting. Inform all shareholders of the date, place and call of the meeting.
- Article 14 If the shareholder is unable to attend the shareholders' meeting for any reason, and entrusts an

agent to attend the meeting, the entrustment letter issued by the company shall be issued, specifying the scope of authorization and entrusting an agent to attend the meeting.

Article 15 Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

Article 16 Except as otherwise provided by Company Act or relevant regulations, no resolution shall be adopted at a shareholders' meeting unless it is attended by shareholders holding and representing over one-half of all issued and outstanding shares and at which meeting over one-half of the votes held by shareholders present cast in favor of such resolution.

Article 16-1 Resolutions of the shareholders' meeting shall be made into a recorded, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The distribution of the aforesaid minutes may be made by way of public announcement.
The minutes shall record the year, month, day, place of the meeting, name of the chairman, method of resolution, main points and results of the discussion, and shall be kept permanently during the existence of the company.

Chapter IV Board of Directors

Article 17 The Company shall have seven to nine directors, with three-year office term. The board of shareholders shall elect any person who has the capacity to act and may continue in office if re-elected.

Directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system.

Article 17-1 Pursuant to Article 14-2 of the Securities and Exchange Act, among the number of directors referred to in the preceding article, there shall be no less than three independent directors, independent directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system. Their professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall follow the regulation of the competent authority in charge of securities affairs.

Article 17-2 Pursuant to Article 14-4 of the Securities and Exchange Act, the audit committee shall be composed of all independent directors and shall be responsible for the enforcement of the functions and powers of the supervisors as stipulated in the company law, the securities and exchange act and other laws.

The audit committee shall include at least one independent director with accounting or finance and one of the directors shall serve as the convenor.

The resolution of the audit committee shall be approved by more than half of the members.

Article 18 The board of directors shall be organized by the directors with the following functions and powers:

1. Manufacturing business plan.
2. Propose profit distribution or a plan for recovery of losses.
3. Propose to increase or decrease Company capital.
4. Set up important rules and Company organizational structures.
5. To appoint and remove the general manager and manager of the company.
6. Establishment and termination of branches.
7. To formulate budgets and final accounts.
8. Other functions and powers assigned according to the company law or resolutions of the

board of shareholders.

- Article 19 The board of directors shall consist of the directors of the Company; the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters.
- Article 20 Unless otherwise provided for in the company law, the board of directors shall be convened by the chairman. Except as otherwise provided in the company law, a majority of the directors shall be present at the resolution of the board of directors, it shall be executed with the consent of more than half of the directors present. When the board of directors meets, if the meeting is held by video conference, the directors who attend the meeting by video conference shall be deemed to attend the meeting in person.
- Article 21 The chairman is the chairman of the board. If the chairman is on leave or cannot exercise his/her functions and powers for any reason, he/she shall appoint one director to act for him/her. If the chairman of the board of directors has not appointed an agent, where directors elect one representative from each other, the director shall attend the board of directors in person, if the director is unable to attend for any reason, other directors shall be appointed as be appointed as entrust. The agent referred to in the preceding paragraph shall be entrusted by only one person.
- Article 22 Deleted
- Article 22-1 Deleted
- Article 23 Remuneration of the directors of the company authorizes the board of directors to agree to pay according to the director's participation in the company's operations and the value of his contribution to the company's operations, as well as the normal level of the industry.
- Article 23-1 The company shall purchase liability insurance for directors.
- Article 24 The company shall have one general manager. The appointment and removal of the general manager shall be approved by more than half of the directors.
- Article 25 The general manager shall preside over the business of the company in accordance with the resolutions of the board of directors.

Chapter V Accounting

- Article 26 The company fiscal year is from January 1st to December 31st each year. The final accounts shall be handled at the end of each year.
- Article 27 The company shall, at the end of each fiscal year in accordance with article 228 of the company law, the following tables shall be prepared by the board of directors, it shall be submitted to the audit committee for examination 30 days before the regular meeting of shareholders, and the audit committee shall issue a report and submit it to the regular meeting of shareholders for approval.
1. the business report;
 2. the financial statements; and
 3. the surplus earning distribution or loss off-setting proposals.
- Article 28 The distribution of dividends and bonuses shall be subject to the proportion of shares held by

each shareholder. No dividend or bonus shall be distributed when the company has no surplus.

Article 29 If the company makes profits in the year, 5% to 15% should be appropriated for employee remuneration and no more than 2% for director remuneration; Employee remuneration issued to stock or cash may include employees of controlled or subordinate companies who meet certain conditions, such conditions shall be prescribed by the chairman.

Article 29-1 If there is any surplus in the company's annual final accounts, 10% of the company's legal surplus reserves shall be allocated in addition to the taxes paid and the losses made in previous years. However, if the legal surplus reserve has reached the amount of paid-in capital of the company, it shall not be subject to this limitation, if there is a balance, and the undistributed surplus accumulated in the previous period is added to the balance, the surplus may be retained and distributed separately in the following year, the board of directors shall draw up a proposal for surplus distribution according to the company's dividend policy, If it is done by issuing new shares, it shall be distributed after the resolution of the shareholders' meeting. The company distributes dividends and bonuses or all or part of the statutory surplus reserve and capital reserve, If the payment is made in cash, the empowered board of directors shall act upon the presence of more than two-thirds of the directors and the consent of more than half of the directors present, and shall report to the shareholders' meeting.

Article 29-2 The object of the transfer of shares purchased by the Company according to law, to whom the employee stock warrants are issued, the issuance of new shares to purchase shares, and the issuance of new shares with restricted employee rights all include employees of controlled or subordinate companies who meet certain conditions, such conditions shall be prescribed by the chairman.

Chapter VI Accounting

Article 30 Deleted

Article 31 The company may engage in external assurance business in accordance with government regulations.

Article 32 The company's organizational rules and regulations are separately stipulated.

Article 33 Any matters not sufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article 34 These Articles of Incorporation were enacted on May 6, 1994.
The 1st amendment was made on March 16, 1995.
The 2nd amendment was made on September 15, 1995.
The 3rd amendment was made on July 29, 1996.
The 4th amendment was made on August 9, 1996.
The 5th amendment was made on December 1, 1997.
The 6th amendment was made on March 30, 1998.
The 7th amendment was made on May 5, 1998.
The 8th amendment was made on September 2, 1998.
The 9th amendment was made on October 20, 1998.
The 10th amendment was made on January 15, 1999.
The 11th amendment was made on July 1, 1999.
The 12th amendment was made on March 22, 2000.
The 13th amendment was made on May 29, 2000.
The 14th amendment was made on October 6, 2000.

The 15th amendment was made on June 4, 2002.
The 16th amendment was made on June 26, 2003.
The 17th amendment was made on June 16, 2004.
The 18th amendment was made on June 10, 2005.
The 19th amendment was made on June 10, 2005.
The 20th amendment was made on June 23, 2006.
The 21st amendment was made on June 13, 2007.
The 22nd amendment was made on June 13, 2008.
The 23rd amendment was made on November 17, 2008.
The 24th amendment was made on June 10, 2009.
The 25th amendment was made on June 15, 2010.
The 26th amendment was made on June 15, 2012.
The 27th amendment was made on June 11, 2013.
The 28th amendment was made on June 15, 2016.
The 29th amendment was made on June 10, 2022.

● **Appendices 2**

Unifosa CORP.
Rules and Procedures of Shareholders' Meeting

The revision date : June 09,2023

Article 1 (Basis)

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

Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.

3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

Notice of convening the shareholder meeting in the third item of this article, for holders of less than 1,000 registered shares, shall be entered into the MOPS for announcement.

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 competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-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 issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, 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 a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 (Entrusts to attend the shareholders' meeting and authorizes)
For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

Article 5 (Principles determining the time and place of a shareholders meeting)
The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

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

Article 6 (Preparation of documents such as the attendance book)
This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be

furnished.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

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

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

Article 7 (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be

chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

The shareholders' meeting convened by the board of directors shall be attended by more than half of the directors of the board of directors.

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

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)

The company shall record the whole meeting of the shareholders' meeting by audio or video recording 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.

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

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

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

Article 9 (calculation and meeting of shareholders' meeting)

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and 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 the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares,

the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

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

Article 10 (Discussion of proposals)

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 each separate proposal in the agenda (including extraordinary motions and 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 of 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 that is not 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 of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11 (Shareholder speech)

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the

shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

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

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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 this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 (Voting, invigilation and counting of motions)

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 this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt 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 exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation'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 poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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 this Corporation.

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 this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall

be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 (Election of directors and supervisors)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 (Minutes and signatures)

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

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made 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 voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in

attending a virtual-only shareholders meeting online.

Article 16 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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 this Corporation, 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 5 days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)
In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)
When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)
In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

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

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

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

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

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by

shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

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

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

Article 22 (Handling of digital divide)

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

● Appendices 3

**Number of shares held by all and individual directors
(including independent directors of the audit committee)**

1. The minimum number of shares that all directors should hold

- (1) The company's paid-in capital is NT 916,288,330 and the number of issued shares is 91,628,833.
- (2) The company has three independent directors and an audit committee is set up in accordance with Article 14-4 of the Securities and Exchange Act. According to laws and regulations, except for the non-applicable regulations that the number of shares held by supervisors should not be less than a certain ratio, independent directors The shareholding ratio of all directors of the company is reduced to 80% of the prescribed ratio. °
- (3) The number of shares held by all directors as of the date of the cessation of the transfer of ownership at the shareholders' meeting is listed in the following table and complies with the number requirements of Article 26 of the Securities and Exchange Act.

March 31,2024; Unit : share

Position	The legal minimum number of shares to be held	Number of shares held by all directors
Directors	7,330,306	7,616,368

Note: Shareholder's register closing date : April 11,2023

2. Number of shares held by all and individual directors

March 31,2024; Unit : share

Position	Name	Number of shares held in the register of shareholders
Chairman	Chen,Ching-jong	187,092
Directors	Chiang,Tsang-An	577,290
Directors	Hsiao,Wu-Hsing	826,453
Directors	Trump Gain Investments Ltd	6,025,533
Independent Director	Chen,Chih-Ling	0
Independent Director	Lee,Wen-Chin	0
Independent Director	Yo,Chi-Thon	0
Independent Director	Wu, Xue-Min	0
Total of all directors		7,616,368