



ACTi Corporation
2024 Annual General
Shareholder' s Meeting
Handbook

Date of the Meeting : May 16, 2024

Place of the Meeting : 1F., No.399, Rueiguang Road, Neihu Taipei City

(Liberty SquareConvention Center)

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ACTI CORPORATION

2024 Annual General Shareholders' Meeting

- 1、Call meeting to order
- 2、Chairman' s Address
- 3、Report Items
- 4、Proposal Items
- 5、Discussion Items and Election Items
- 6、Extemporary motions
- 7、Adjournment of meeting

ACTI CORPORAION

2024 Annual General Shareholders' Meeting Agenda

Date of the Meeting : May 16,2024 (Thursday) at 10:00 a.m.

Place of the Meeting : 1F., No.399, Rueiguang Road, Neihu Taipei City
(Liberty Square Convention Center)

Convening Method : Physical Shareholders' Meeting

I 、 Call meeting to order

II 、 Chairman's address

III 、 Report Items

1. 2023 Business Report
2. Audit Committee's Review Opinions on 2023 Annual Final Accounting Books and Statements
3. Report on 2023 Employees' and Directors' Compensation

IV 、 Proposal Items

1. Adoption of the 2023 Business Report and Financial Report
2. Adoption of the 2023 Earnings Distribution

V 、 Discussion Items and Election Items

1. Discussion on amendments to the Procedure "Articles of Incorporation".
2. Enact 「 Rules for Election of Director 」
3. Proposed Cash Capital Increase for Issuance of New Shares for Listing (OTC)
Through Public Offering with Full Waiver of Preemptive Rights by Existing Shareholders
4. Appointment of the Tenth Board of Directors Proposal
5. Discussion of the release from non-competition restrictions on directors

VI 、 Extemporary Motions

VII 、 Adjournment of meeting

【Report Items】

1、2023 Business Report.

Description：2023 Business Report, Please refer to Page 6~7 of the Attachment 1 to this handbook.

2、Audit Committee's Review Opinions on 2023 Annual Final Accounting Books and Statements.

Description：Audit Committee's Review Report，Please refer to Page 8 of the Attachment 2 to this handbook.

3、Report on 2023 Employees' and Directors' Compensation.

Description：The Company's Net Income After Tax for 2023 is NT\$75,921,631, The Total distributable earnings as of Dec 31,2023 amounted to NT\$10,162,108.As stiuated in the Articles of Incorporation of association 3%~20% shall be distributed as employee bonuses withdrawal NT\$310,893，no more than 1% shall be distributed as directors' remuneration withdrawal NT\$0.

【Proposal Items】

Proposal 1

Adoption of the 2023 Business Report and Financial Report

Proposed by the Board

Description：(1) The 2023 Business Report of the Company has been prepared.

(2) The business report and financial statements have been approved by The Board of directors and is recorded with the audit report by the audit committee.

(3) Abovementioned documents are attached. Please refer to Page 6~7 of The Attachment 1、Page 9~30 of the Attachment 3 to this handbook.

Resolution：

Proposal 2

Adoption of the 2023 Earnings Distribution

Proposed by the Board

Description : (1) The Company's Net Income After Tax for 2023 is NT\$75,921,631, The Total distributable earnings as of Dec 31,2023 amounted to NT\$10,162,108 , 2023 Earnings Distribution, Please refer to Page 31 of the Attachment 4 to this handbook.

(2)The Company's distribution of 2023 earnings was passed by the Board of Directors and submitted to the Audit Committee for review, Submittee for acknowledgement.

Resolution :

【Discussion Items and Elections Items】

Proposal 1

Discussion on amendments to the Procedure "Articles of Incorporation"

Proposed by the Board

Description : Pursuant of the ACompany Act, the Company hereby proposes to amend the Articles of Incorporation. Please refer to Page 32~35 of the Attachment 5 to this handbook.

Resolution :

Proposal 2

Enact 「 Rules for Election of Director 」

Proposed by the Board

Description : The Company, In compliance with relevant laws and the practical needs of the company, abolishes the Company's original 「 Procedures for Election of Directors and Supervisor 」, and enact「 Rules for Election of Director 」Please refer to Page 36~37 of the Attachment 6 to this handbook.

Resolution :

Proposal 3

Proposed Cash Capital Increase for Issuance of New Shares for Listing (OTC) Through Public Offering with Full Waiver of Preemptive Rights by Existing Shareholders.

Proposed by the Board

Description : (1) In order to comply with the future listing application of the Company, it is proposed to use cash capital increase as the source of the initial public offering of shares for listing.

(2) In this cash capital increase issuance of new shares, except for reserving 10% to 15% for subscription by employees in accordance with Article 267 of the Company Law, it is proposed that the remaining shares be obtained with the unanimous consent of the original shareholders to fully waive subscription rights, and all to be handled through a public offering before listing (hereinafter referred to as the "Pre-listing Public Offering Plan"). In the event that the subscription by employees is insufficient or waived, the Chairman is proposed to be authorized to negotiate with specific individuals for subscription. The rights and obligations of this cash capital increase issuance of new shares are the same as those of the existing common shares.

(3) It is proposed to request the shareholders' meeting to authorize the board of directors to fully decide on matters related to the pre-listing public offering plan (including but not limited to the issuance price of new shares, the actual number of shares issued, issuance conditions, plan items, amount raised, expected progress, and potential benefits) within the scope of the Company's articles of association and relevant laws and regulations after the listing application of the Company has been approved by the shareholders' meeting and submitted to the competent authority for approval. Also, to set the relevant matters such as the period for payment of capital and the base date for capital increase after approval of issuance.

(4) If it is indicated by the competent authority or due to other circumstances that there is a need to revise the pre-listing public

offering plan, or if there are any matters not covered by the pre-listing public offering plan, the board of directors is proposed to be fully authorized to independently determine to take actions it deems necessary or beneficial.

Resolution :

Proposal 4

Appointment of the Tenth Board of Directors Proposal

Proposed by the Board

Description : (1) The tenure of the ninth term for the Director will expire by August 22,2024, and the Board of Directors resolved that Directors with a total of 7 seats (including 4 seats of independent directors) be elected at this Annual General Shareholders' Meeting.

(2) The newly elected directors will serve a three-years term beginning May 16,2024 to May 15,2027.

(3) Director and Independent Director candidates shall be nominated by the candidate nomination system and the shareholders will be elected from the list of candidates according to Article 14 of the Company's Article of Incorporation. Please refer to page 38 of the Attachment 7 to this handbook

Resolution :

Proposal 5

Discussion of the release from non-competition restrictions on directors.

Proposed by the Board

Description : (1) In accordance with Article 209 of the Company Act, a director who acts for himself/herself or on behalf of another person in a manner that is within the scope of the company's business shall obtain the approval from the shareholders' meeting.

(2) The new Directors of the Company may be acting as directors of such companies which are in the same or similar business as the Company. Under the premise of not compromising the Company's

interest, the Board of Directors proposes to seek approval at the Shareholders' Meeting to release new Directors from the non-competition restriction according to Article 209 of the Company Act. Please refer to page 39 of the Attachment 8 to this handbook.

Resolution :

【Extemporary Motions】

【Adjournment of Meeting】

Appendix 1 : 2023 Business Report

Dear shareholders:

Greetings! Recently, there has been considerable interest in hot topics such as AI artificial intelligence or generative AI. ACTi has been repeatedly asked about our company's future development and whether we have direct or indirect products or solutions related to AI or its applications. Regarding these questions, Acti has indeed been deploying various applications and solutions in this field for many years, including:

1. Emphasizing software development to drive hardware applications as the main direction of our technical development.
2. Expanding globally to continuously develop our own brand and further provide technical services as the main focus of our industrial applications.
3. Utilizing AI artificial intelligence based on SOC as a tool for digital enterprise management, including acquiring new customers and efficiently recommending products to those in need.

Amidst the ongoing rivalry between the United States and China, the industry in which our company operates has formed a situation where there are two major camps, either leaning towards China or the United States, Therefore, in terms of business expansion, ACTi actively follows this trend and seizes opportunities in the global de-Chinification trend to effectively capture business opportunities.

Hereby, we present the operating results for the fiscal year 2023 and the business plan for the fiscal year 2024:

I • Business performance in fiscal 2023

- (1) Business performance, financial income and expenditures, and profitability analysis:

The Company's consolidated revenue was NT\$488,330,000 and Net profit was NT\$75,920,000 and EPS was NT\$2.86 in 2023, Compared with the revenue up 4.5% in 2022.

Financial income and profitability analysis :

In Thousands of New Taiwan Dollars

Item	2023	2022
Liabilities to assets(%)	39.16	56.02

Item		2023	2022
Financial Structure	Long-term capital to fixed assets(%)	6,845.24	5,407.09
	Solvency		
	Current ratio(%)	224.09	158.04
	Quick ratio(%)	146.65	92.41
Profitability	Return on assets(%)	16.91	9.31
	Return on equity(%)	31.75	20.24
	Net profit margin(%)	15.55	7.87
	Earnings per share-EPS	2.86	1.04

(2) Research and Development Status

1. In the fiscal year 2024, our company will continue to introduce the next generation of chipsets, following last year's introduction. Additionally, we will continue to introduce the next generation of domestically produced chipset series. New products include:
 - a) New series of products from domestic chipset giants.
 - b) Continuously obtaining multiple CNS-16120 (National Standard for Image System Security Industry) Level 2 product certifications and introducing them to the market to enhance our competitiveness in domestic projects. °
2. Actively advancing the development of the latest NVR version and introducing it to the market. NVR continues to be widely used for cross-platform integration.

II · Outline of business plan for fiscal year 2024

(1) Business policy:

Expanding the competitive advantage of our company's software product (NVR 3.0), we are launching the new version NVR 3.0 Business (32 CH Bundle), enhancing our competitiveness in the market for medium and small-scale systems. We continue to focus on NDAA series products and SOC-based intelligent solutions, effectively utilizing and streamlining internal resources to achieve maximum return on investment.

(2) Expected sales volume and its basis, important production and marketing policies:

1. Expected sales quantity and its basis: Not applicable.

2. Important production and sales policies:

- a. Continuously developing software-centric technical directions, leveraging global deployment to develop proprietary brand technical services as the main competitive advantage.
- b. Strengthening internal digital management within the company, continuously accumulating experience and knowledge transfer in terms of productivity of sales personnel, precision management of customer projects, and improving project success rates.
- c. Effectively utilizing advanced tools of AI (Artificial Intelligence) to provide customer matching, effectively recommending products that meet customer needs, and contributing to revenue growth.

III 、 Future development strategy 、 Impact of the external competitive environment, regulatory environment and general economic environment

ACTi has focused on new product transformation and global market development in the fiscal year 2023, successfully integrating application-oriented products with smart factories, government projects, and other applications, and continuously developing technologies and growth cases from different perspectives.

In the future, ACTi will continue to apply various aspects and services on existing devices and equipment, further develop superior integration and technology, and provide customers with superior services.

Chairperson : Chu, Bor-Luen

Manager : Chu, Bor-Luen

Accounting Manager : Hsieh, Hsiu-Fang

Appendix 2

ACTi CORPORATION

Audit Committee's Review Report

The Board of Directors has prepared the 2023 Business Report, Financial Statements and Distribution of Earnings, The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit ACTi's Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Financial Statements and Distribution of Earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of ACTi Corporation. Accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Company hereby submits this report.

Report for verification

ACTi Corporation Audit Committee

Convener of the Audit Committee : Wu, Yu-Tun

February 22,2024

Appendix 3 : Auditors' Report

ACTi CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	六(一)	\$ 111,356	25	\$ 76,652	18
1140	Current contract assets	六(十六)	872	-	6,563	2
1150	Notes receivable, net	六(二)	2,841	1	1,235	-
1170	Accounts receivable, net	六(二)	24,060	5	14,394	4
1180	Accounts receivable - related parties, net	七	29,841	7	14,248	3
1200	Other receivables		2,598	1	2,247	1
130X	Inventories	六(三)	103,906	24	121,744	29
1410	Prepayments		5,140	1	5,081	1
11XX	Current Assets		<u>280,614</u>	<u>64</u>	<u>242,164</u>	<u>58</u>
Non-current assets						
1550	Investments accounted for under the equity method	六(四)	27,961	6	27,811	7
1600	Property, plant and equipment	六(五)	4,485	1	4,652	1
1755	Right-of-use assets	六(六)	44,163	10	60,960	14
1780	Intangible assets		221	-	10	-
1840	Deferred income tax assets	六(二十三)	49,974	11	49,974	12
1900	Other non-current assets	六(七)(十)及八	32,978	8	33,028	8
15XX	Non-current assets		<u>159,782</u>	<u>36</u>	<u>176,435</u>	<u>42</u>
1XXX	Total assets		<u>\$ 440,396</u>	<u>100</u>	<u>\$ 418,599</u>	<u>100</u>

(Continued)

ACTi CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2130	Current contract liabilities	六(十六)	\$ 5,531	1	\$ 12,103	3
2150	Notes payable		6,089	1	6,089	1
2170	Accounts payable		39,322	9	30,574	7
2200	Other payables	六(八)	42,238	10	45,241	11
2220	Other payables - related parties	七	1,130	-	2,546	1
2250	Current provisions	六(十一)	1,771	-	1,537	-
2280	Lease liabilities - current		15,329	4	16,341	4
2320	Long-term liabilities, current portion	六(九)	-	-	21,893	5
2399	Other current liabilities, others	六(十二)及九	20,230	5	19,112	5
21XX	Current Liabilities		<u>131,640</u>	<u>30</u>	<u>155,436</u>	<u>37</u>
Non-current liabilities						
2540	Long-term borrowings	六(九)	-	-	15,374	4
2550	Non-current provisions	六(十一)	3,804	1	3,822	1
2570	Deferred tax liabilities	六(二十三)	2,980	1	2,900	1
2580	Lease liabilities - non-current		24,241	5	39,570	9
2600	Other non-current liabilities		490	-	490	-
25XX	Non-current liabilities		<u>31,515</u>	<u>7</u>	<u>62,156</u>	<u>15</u>
2XXX	Total Liabilities		<u>163,155</u>	<u>37</u>	<u>217,592</u>	<u>52</u>
Equity attributable to owners of parent						
Share capital						
		六(十三)				
3110	Common stock		265,817	61	354,817	85
Capital surplus						
		六(十四)				
3200	Capital surplus		-	-	3,093	1
Retained earnings (accumulated deficit)						
		六(十五)				
3350	Unappropriated retained earnings (accumulated deficit)		10,162	2	(158,173)	(38)
Other equity interest						
3400	Other equity interest		1,262	-	1,270	-
3XXX	Total equity		<u>277,241</u>	<u>63</u>	<u>201,007</u>	<u>48</u>
Significant Subsequent Events						
		十一				
3X2X	Total liabilities and equity		<u>\$ 440,396</u>	<u>100</u>	<u>\$ 418,599</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

ACTi CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars
(Except for earnings per share)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	六(十六)及七	\$ 451,168	100	\$ 400,379	100
5000 Operating costs	六(三)(二十一) (二十二)	(230,235)	(51)	(244,382)	(61)
5900 Gross profit		<u>220,933</u>	<u>49</u>	<u>155,997</u>	<u>39</u>
Operating expenses	六(二十一) (二十二)				
6100 Selling expense		(57,577)	(13)	(61,311)	(15)
6200 General and administrative expenses		(36,897)	(8)	(34,488)	(9)
6300 Research and development expenses		(55,585)	(12)	(55,430)	(14)
6450 Expected credit impairment (loss) gain	十二(二)	(61)	-	7,283	2
6000 Total Operating expenses		<u>(150,120)</u>	<u>(33)</u>	<u>(143,946)</u>	<u>(36)</u>
6900 Operating profit		<u>70,813</u>	<u>16</u>	<u>12,051</u>	<u>3</u>
Non-Operating income and expenses					
7100 Interest income	六(十七)	710	-	106	-
7010 Other income	六(十八)	1,053	-	2,402	1
7020 Other gains and losses	六(十九)	4,738	1	7,697	2
7050 Finance costs	六(二十)	(1,550)	-	(2,091)	(1)
7070 Share of profit of associates and joint ventures accounted for using equity method	六(四)	158	-	16,630	4
7000 Total non-operating income and expenses		<u>5,109</u>	<u>1</u>	<u>24,744</u>	<u>6</u>
7900 Profit before income tax		<u>75,922</u>	<u>17</u>	<u>36,795</u>	<u>9</u>
7950 Income tax expense	六(二十三)	-	-	-	-
8200 Profit for the year		<u>\$ 75,922</u>	<u>17</u>	<u>\$ 36,795</u>	<u>9</u>
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gain on remeasurements of defined benefit plans	六(十)	\$ 400	-	\$ 137	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	六(二十三)	(80)	-	(28)	-

(Continued)

ACTi CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars
(Except for earnings per share)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
8310	Components of other comprehensive income that will not be reclassified to profit or loss		320	-	109	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	六(四)	(8)	-	1,536	1
8300	Total other comprehensive income (loss) for the year		<u>\$ 312</u>	-	<u>\$ 1,645</u>	1
8500	Total comprehensive income for the year		<u>\$ 76,234</u>	17	<u>\$ 38,440</u>	10
	Earnings per share - common stock	六(二十四)				
9750	Basic earnings per share Net income		<u>\$</u>	2.86	<u>\$</u>	1.38
9850	Diluted earnings per share Net income		<u>\$</u>	2.86	<u>\$</u>	1.38

The accompanying notes are an integral part of these parent company only financial statements.

ACTi CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

Notes	Share capital – common stock	Capital Surplus – treasury share transactions	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Total equity
<u>Year 2022</u>					
Balance at January 1, 2022	\$ 354,817	\$ 3,093	(\$ 195,077)	(\$ 266)	\$ 162,567
Profit for the year	-	-	36,795	-	36,795
Other comprehensive income (loss)	-	-	109	1,536	1,645
Total comprehensive income (loss)	-	-	36,904	1,536	38,440
Balance at December 31, 2022	<u>\$ 354,817</u>	<u>\$ 3,093</u>	<u>(\$ 158,173)</u>	<u>\$ 1,270</u>	<u>\$ 201,007</u>
<u>Year 2023</u>					
Balance at January 1, 2023	\$ 354,817	\$ 3,093	(\$ 158,173)	\$ 1,270	\$ 201,007
Profit for the year	-	-	75,922	-	75,922
Other comprehensive income (loss)	-	-	320	(8)	312
Total comprehensive income (loss)	-	-	76,242	(8)	76,234
Capital reduction for cover accumulated deficits 六(十三)	(89,000)	-	89,000	-	-
Capital surplus used to cover accumulated deficits 六(十五)	-	(3,093)	3,093	-	-
Balance at December 31, 2023	<u>\$ 265,817</u>	<u>\$ -</u>	<u>\$ 10,162</u>	<u>\$ 1,262</u>	<u>\$ 277,241</u>

The accompanying notes are an integral part of these parent company only financial statements.

ACTi CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 75,922	\$ 36,795
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss (gain)	十二(二)	61	(7,283)
Depreciation	六(五)(六) (二十一)	18,837	19,438
Amortisation	六(二十一)	95	107
Interest income	六(十七)	(710)	(106)
Interest expense	六(二十)	1,550	2,091
Loss on disposal of property, plant and equipment	六(十九)	21	154
Investment income recognized under equity method	六(四)	(158)	(16,630)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets-current		5,691	1,855
Notes receivable, net		(1,606)	(624)
Account receivable, net		(9,727)	37
Account receivable - related parties, net		(15,593)	(13,532)
Other receivables		(298)	(144)
Inventories		17,838	(1,720)
Prepayments		(59)	894
Other non-current assets		488	(111)
Changes in operating liabilities			
Contract liabilities-Current		(6,572)	4,117
Notes payable		-	315
Accounts payable		8,748	(9,003)
Other Payables		(3,407)	(2,768)
Other Payables - related parties		(1,416)	1,587
Provisions		216	1,743
Other current liabilities - other		1,118	17,849
Cash inflow generated from operations		91,039	35,061
Interest received		657	106
Interest paid		(1,574)	(2,104)
Net cash flows from operating activities		<u>90,122</u>	<u>33,063</u>

(Continued)

ACTi CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

	<u>Notes</u>	<u>Year ended December 31</u>	
		<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at amoritised cost		\$ -	\$ 4,901
Acquisition of property, plant and equipment	六(二十五)	(902)	(45)
Proceeds from disposal of property, plant and equipment		341	-
Acquisition of intangible assets		(306)	-
Increase in refundable deposits		(38)	(3,606)
Decrease in refundable deposits		-	2,297
Net Cash flows (used) from investing activities		<u>(905)</u>	<u>3,547</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of short-term borrowings	六(二十六)	-	(24,500)
Lease principal repayment	六(六)(二十六)	(17,246)	(18,107)
Increase in long-term borrowings		-	30,000
Repayment of long-term borrowings		<u>(37,267)</u>	<u>(22,929)</u>
Net cash flows used in financing activities		<u>(54,513)</u>	<u>(35,536)</u>
Net Increase in cash and cash equivalents		34,704	1,074
Cash and cash equivalents at beginning of year		<u>76,652</u>	<u>75,578</u>
Cash and cash equivalents at end of year		<u>\$ 111,356</u>	<u>\$ 76,652</u>

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

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	六(一)	\$ 155,659	34	\$ 137,152	30
1140	Current contract assets	六(十五)	872	-	6,563	1
1150	Notes receivable, net	六(二)	2,841	1	1,235	-
1170	Account receivable, net	六(二)	42,651	9	30,549	7
1200	Other receivable		1,786	-	801	-
1220	Current income tax assets		2,902	1	2,749	1
130X	Inventories	五及六(三)	103,969	23	121,812	27
1410	Prepayments		5,331	1	5,435	1
1470	Other current assets		275	-	114	-
11XX	Current assets		<u>316,286</u>	<u>69</u>	<u>306,410</u>	<u>67</u>
Non-current assets						
1600	Property, plant and equipment	六(四)	4,595	1	4,867	1
1755	Right-of-use assets	六(五)	51,111	11	62,369	14
1780	Intangible assets		221	-	10	-
1840	Deferred income tax assets	五	49,974	11	49,974	11
1900	Other non-current assets	六(六)及八	33,492	8	33,419	7
15XX	Non-current assets		<u>139,393</u>	<u>31</u>	<u>150,639</u>	<u>33</u>
1XXX	Total assets		<u>\$ 455,679</u>	<u>100</u>	<u>\$ 457,049</u>	<u>100</u>

(Continued)

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current liabilities						
2130	Current contract liabilities	六(十五)	\$ 10,881	2	\$ 42,746	9
2150	Notes payable		6,089	1	6,106	1
2170	Accounts payable		39,322	9	30,574	7
2200	Other payables	六(七)	45,710	10	53,467	12
2250	Current provisions	六(十)	1,771	-	1,537	-
2280	Lease liabilities - current		16,367	4	17,762	4
2320	Long-term liabilities, current portion	六(八)及七	-	-	21,893	5
2399	Other current liabilities, others	六(十一)及九	21,000	5	19,801	4
21XX	Current liabilities		<u>141,140</u>	<u>31</u>	<u>193,886</u>	<u>42</u>
Non-current liabilities						
2540	Long-term borrowings	六(八)及七	-	-	15,374	3
2550	Non-current provisions	六(十)	3,804	1	3,822	1
2570	Deferred tax liabilities		2,980	1	2,900	1
2580	Lease liabilities - non-current		30,024	6	39,570	9
2600	Other non-current liabilities		490	-	490	-
25XX	Non-current liabilities		<u>37,298</u>	<u>8</u>	<u>62,156</u>	<u>14</u>
2XXX	Total Liabilities		<u>178,438</u>	<u>39</u>	<u>256,042</u>	<u>56</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	六(十二)	265,817	59	354,817	78
Capital surplus						
3200	Capital surplus	六(十三)	-	-	3,093	1
Retained earnings (accumulated deficit)						
3350	Unappropriated retained earnings (accumulated deficit)	六(十四)	10,162	2	(158,173)	(35)
Other equity interest						
3400	Other equity interest		1,262	-	1,270	-
31XX	Equity attributable to owners of parent		<u>277,241</u>	<u>61</u>	<u>201,007</u>	<u>44</u>
3XXX	Total equity		<u>277,241</u>	<u>61</u>	<u>201,007</u>	<u>44</u>

(Continued)

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Liabilities and Equity					
Material contingent liabilities and unrecognized contractual commitments	九				
Significant Subsequent Events	十一				
3X2X Total liabilities and equity		<u>\$ 455,679</u>	<u>100</u>	<u>\$ 457,049</u>	<u>100</u>

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

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars
(Except for earnings per share)

Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	六(十五)	\$ 488,326	100	\$ 467,305	100
5000 Operating costs	六(三)(二十) (二十一)	(238,817)	(49)	(255,239)	(55)
5900 Operating margin		<u>249,509</u>	<u>51</u>	<u>212,066</u>	<u>45</u>
Operating expensed	六(二十) (二十一)				
6100 Selling expenses		(90,418)	(19)	(98,348)	(21)
6200 General and administrative expenses		(38,537)	(8)	(36,631)	(8)
6300 Research and development expenses		(55,585)	(11)	(55,430)	(12)
6450 Expected credit impairment (loss) gain	十二(二)	(581)	-	6,957	2
6000 Total operating expenses		(185,121)	(38)	(183,452)	(39)
6900 Operating profit		<u>64,388</u>	<u>13</u>	<u>28,614</u>	<u>6</u>
Non-operating income and expenses					
7100 Interest income	六(十六)	1,321	1	158	-
7010 Other income	六(十七)	1,053	-	2,402	-
7020 Other gains and losses	六(十八)	10,730	2	7,749	2
7050 Finance costs	六(十九)	(1,570)	-	(2,128)	-
7000 Total non-operating income and expenses		<u>11,534</u>	<u>3</u>	<u>8,181</u>	<u>2</u>
7900 Profit before income tax		<u>75,922</u>	<u>16</u>	<u>36,795</u>	<u>8</u>
7950 Income tax expense	六(二十二)	-	-	-	-
8200 Profit for the year		<u>\$ 75,922</u>	<u>16</u>	<u>\$ 36,795</u>	<u>8</u>
Other comprehensive income (loss)					
8311 Actuarial gain and defined benefit plan	六(十一)	\$ 400	-	\$ 137	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	六(二十四)	(80)	-	(28)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>320</u>	<u>-</u>	<u>109</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(8)	-	1,536	-

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars
(Except for earnings per share)

Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
8300 Total other comprehensive income (loss) for the year		\$ 312	-	\$ 1,645	-
8500 Total comprehensive income for the year		\$ 76,234	16	\$ 38,440	8
Profit attributable to:					
8610 Owners of the parent		\$ 75,922	16	\$ 36,795	8
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 76,234	16	\$ 38,440	8
Earnings per share - common 六(二十三) stock					
9750 Basic earnings per share					
Net income		\$	2.86	\$	1.38
9850 Diluted earnings per share					
Net income		\$	2.86	\$	1.38

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

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

Notes	Equity attributable to owners of the parent				Financial statements translation differences of foreign operations	Total equity
	Share capital – common stock	Capital Surplus – treasury share transactions	Unappropriated retained earnings (accumulated deficit)			
<u>Year 2022</u>						
Balance at January 1, 2022	\$ 354,817	\$ 3,093	(\$ 195,077)	(\$ 266)		\$ 162,567
Profit for the year	-	-	36,795	-		36,795
Other comprehensive income (loss)	-	-	109	1,536		1,645
Total comprehensive income (loss)	-	-	36,904	1,536		38,440
Balance at December 31, 2022	<u>\$ 354,817</u>	<u>\$ 3,093</u>	<u>(\$ 158,173)</u>	<u>\$ 1,270</u>		<u>\$ 201,007</u>
<u>Year 2023</u>						
Balance at January 1, 2023	\$ 354,817	\$ 3,093	(\$ 158,173)	\$ 1,270		\$ 201,007
Profit for the year	-	-	75,922	-		75,922
Other comprehensive income (loss)	-	-	320	(8)		312
Total comprehensive income (loss)	-	-	76,242	(8)		76,234
Capital reduction for cover accumulated deficits 六(十二)	(89,000)	-	89,000	-		-
Capital surplus used to cover accumulated deficits 六(十四)	-	(3,093)	3,093	-		-
Balance at December 31, 2023	<u>\$ 265,817</u>	<u>\$ -</u>	<u>\$ 10,162</u>	<u>\$ 1,262</u>		<u>\$ 277,241</u>

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

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
YEARS ENDE DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

	Year ended december 31		
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 75,922	\$ 36,795
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss (gain)	十二(二)	581	(6,957)
Depreciation	六(四)(五)		
	(二十)	20,250	21,343
Loss on disposal of property, plant and equipment	六(十八)	21	154
Amortisation	六(二十)	95	107
Interest income	六(十六)	(1,321)	(158)
Interest expense	六(十九)	1,570	2,128
Changes in operating assets and liabilities			
Change in operating assets			
Contract assets-current		5,691	1,855
Notes receivable, net		(1,606)	(624)
Account receivable, net		(12,683)	4,381
Other receivables		(920)	787
Inventories		17,843	(1,503)
Prepayments		104	908
Other current assets		(161)	804
Other non-current assets		488	(111)
Changes in operating liabilities			
Contract liabilities-Current		(31,865)	12,499
Notes payable		(17)	316
Accounts payable		8,748	(9,065)
Other Payables		(8,161)	(2,447)
Provisions		216	1,743
Other current liabilities - other		1,199	17,576
Cash inflow generated from operations		75,994	80,531
Interest received		1,256	158
Interest paid		(1,594)	(2,141)
Income tax paid		(153)	(87)
Net cash flows from operating activities		<u>75,503</u>	<u>78,461</u>

(Continued)

ACTi CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
YEARS ENDE DECEMBER 31, 2023 AND 2022

Expressed in thousands of New Taiwan dollars

	Year ended december 31		
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at amortised cost		\$ -	\$ 4,901
Acquisition of property, plant and equipment	六(二十四)	(902)	(253)
Proceeds from disposal of property, plant and equipment		341	-
Acquisition of intangible assets		(306)	-
Increase in refundable deposits		(161)	(3,997)
Decrease in refundable deposits		-	2,297
Net Cash flows (used) from investing activities		(1,028)	2,948
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of short-term borrowings		-	(24,500)
Lease principal repayment	六(五)	(18,794)	(20,488)
Increase in long-term borrowings		-	30,000
Repayment of long-term borrowings ((37,267)	(22,929)
Net cash flows used in financing activities		(56,061)	(37,917)
Effect of exchange rate		93	1,912
Net Increase in cash and cash equivalents		18,507	45,404
Cash and cash equivalents at beginning of year		137,152	91,748
Cash and cash equivalents at end of year		\$ 155,659	\$ 137,152

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

Attachment 4 :

ACTI CORPORATION
2023 Earnings Distribution Table

Unit : NT\$

Item	Amount
Accumulated deficit of prior years	(155,079,466)
Add : Reduction of Capital for accumulated deficit in 2023	89,000,000
Adjustments after to Accumulated deficit at beginning of period	(66,079,466)
Add : Net Income After Tax for 2023	75,921,631
Add : Recognition of Actuarial Gains/Losses on Defined Benefit Plans in Other Comprehensive Income	319,943
Sub-Total of available-for-distribution earnings	10,162,108
Less : Provision for legal reserve (10%)	(1,016,211)
Undistributed earnings at the end of the period	9,145,897

Chairperson : Chu, Bor-Luen Manager : Chu, Bor-Luen Accounting Manager : Hsieh, Hsiu-Fang

Attachement 5 : Comparison Table of Revised Articles of the Articles of Incorporation

Article	Article after revision	Article before revision	Explanation
Article 4	Public announcements of the Corporation shall be made in accordance with the articles of the Company Act <u>and the laws.</u>	Public announcements of the Corporation shall be made in accordance with Article 28 of the Company Act.	Amendment to wording.
Article 7	Treasury shares bought back by the Company under the Company Act may be transferred to employees. The Company's employee stock options may be granted to employees. When the Company issues new shares, the employees who are eligible to subscribe the shares. The Company's employee restricted shares may be issued to employees. All above employees of the Company's <u>controlling or</u> subordinate companies who meet certain criteria. The board of directors shall determine the "certain criteria" referred to above.	Treasury shares bought back by the Company under the Company Act may be transferred to employees. The Company's employee stock options may be granted to employees. When the Company issues new shares, the employees who are eligible to subscribe the shares. The Company's employee restricted shares may be issued to employees. All above employees of the Company's subordinate companies who meet certain criteria. The board of directors shall determine the "certain criteria" referred to above.	Amendment due to the Company's business needs.
Article 7.1	(Deleted)	If the Company intends to cancel the public offering, it shall be approved by the conclusion of the shareholders' meeting, and this provision will not be changed during by Exchange Listed and OTC listed Companies.	The current Company Law already has provisions, so this article is deleted.
Article 8	<p><u>Shareholders' meetings are classified into general meetings and special meetings. The general meeting shall be annually convened by the board of directors within six months after the end of each fiscal year pursuant to the applicable laws. The special meeting shall be convened pursuant to the applicable laws when necessary.</u></p> <p><u>The notice for convening of a Shareholders' Meeting may be served by electronic means with the counterparty's consent.</u></p> <p><u>A Shareholders' Meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or is unable to exercise his duties and powers for any reason, its proxy shall act in accordance with the provisions in Article 208 of the Company Act.</u></p>	<p>Notice shall be provided to each shareholder at least 20 days prior to a general shareholders' meeting. Notice shall be provided to each shareholder at least 10 days prior to an extraordinary shareholders' meeting. After the public offering of the Company, Notice shall be provided to each shareholder at least 30 days prior to a general shareholders' meeting. Notice shall be provided to each shareholder at least 15 days prior to an extraordinary shareholders' meeting. The notice shall state the date and venue of the meeting and the purpose or purposes for which the meeting is called. For shareholders holding less than 1,000 shares, the notice of convening shall by a public announcement.</p> <p>A Shareholders' Meeting shall be chaired by the Chairman of the Board. When the chairman of the board is unable to preside at a meeting, the directors present shall elect one from among themselves as proxy. If the shareholders' meeting is convened by others with legitimate right, the one who convenes it shall preside at the meeting. When more than one conveners are present, they shall</p>	Amendment to article number changes & due to the law and the Company's business needs.

Article	Article after revision	Article before revision	Explanation
		elect one from among themselves to preside.—	
Article 8-1 Article 9	(Omitted)	(Omitted)	Amendment to article number changes
Article 9 Article 10	(Omitted)	(Omitted)	
Article 10 Article 11	Shareholders of each share of the stock of the Corporation is entitled to one vote, excluding those entitled to no right to vote as Article 179 of the Company Act.	Shareholders of each share of the stock of the Corporation is entitled to one vote, excluding those entitled to no right to vote as Article 179 of the Company Act.	Amendment to article number changes.
Article 11 Article 12	Unless otherwise specified in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present in person or through proxy, who represent more than one-half of the total number of voting shares. Shareholders may exercise their voting rights in electronic means or other methods according to the laws at the Shareholders' Meetings.	Unless otherwise specified in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present in person or through proxy, who represent more than one-half of the total number of voting shares. Shareholders may exercise their voting rights in electronic means or other methods according to the laws at the Shareholders' Meetings after becoming TPEX Companies.	Amendment to article number changes & wording.
Article 12 Article 13	<u>Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be made and distributed in accordance with Article 208 of the Company Act.</u>	If the shareholder of the Company is composed of a sole institutional shareholder, functions of the Company's shareholders' meetings shall be carried out by the Company's board of directors.— In that case, all provision in connection with shareholders' meetings herein shall not apply.—	Amendment to article number changes & due to the Company's business needs.

Article	Article after revision	Article before revision	Explanation
<p>Article 13 Article 14</p>	<p>CHAPTER IV DIRECTORS AND <u>AUDIT COMMITTEE AND MANAGERS</u></p> <p>The Company shall have 5 to 9 Directors to be elected at the shareholders meeting <u>with a candidates' nomination system and from among the individuals of legal capacity, with the term of three years. All Directors shall be eligible for re-election. The number of independent directors shall not be less than 3 and shall not be less than 1/3 of the number of directors. The professional qualifications, shareholding restrictions, part-time employment restrictions and other matters to be complied with by independent directors shall be handled in accordance with the regulations of the securities authorities.</u></p> <p><u>The Company shall establish an audit committee comprising all independent directors according to Article 14-4 of the Securities and Exchange Act. The audit committee and the exercise of duties and powers by its members, as well as other related matters shall be subject to the provisions of the Securities and Exchange Act and relevant laws. The Company may establish functional committees under the Board of Directors according to the law.</u></p>	<p>CHAPTER IV DIRECTORS AND SUPERVISORS</p> <p>The Company shall have 5 to 9 Directors and 2 to 3 supervisors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors shall be eligible for re-election.</p> <p>After the public offering of the Company, in accordance with the provisions of Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than 2 and shall not be less than 1/5 of the number of directors. The professional qualifications, shareholding restrictions, part-time employment restrictions and other matters to be complied with by independent directors shall be handled in accordance with the regulations of the securities authorities.</p> <p>After the public offering of the Company, the election of directors and supervisors will adopt a candidate nomination system, and shareholders shall be elected from the list of candidates for directors and supervisors.</p> <p>The Bord of Directors of the Company may set up an Audit Committee or other functional committees as necessary for the operation. When the Company chooses to set up an Audit Committee, there will be no supervisors. Supervisor regulation is dismissed, and regulation is no exit when an Audit Committee is set up. Matters relating to the number, term of office, powers and rules of the Audit Committee shall stipulated separately.</p>	
<p>Article 13-1 Article 15</p>	<p>(Omitted)</p>	<p>(Omitted)</p>	<p>Amendment to article number changes</p>
<p>Article 13-2</p>	<p>(Deleted)</p>	<p>The powers of the supervisor are as follows : 1.Review the company's business and financial status. 2.Check the company's books and documents. 3.Other duties conferred on them by laws and regulations.</p>	<p>Amendment due to the Company has set up an Audit Committee to replace the supervisor.</p>
<p>Article 13-3</p>	<p>(Deleted)</p>	<p>Each share has the same right to vote as the number of directors or supervisors to be elected, and may elect one person in a centralized manner, or allocate several votes to elect, and the one with the</p>	

Article	Article after revision	Article before revision	Explanation
		<p>greater right to vote on behalf of the votes obtained shall be elected as a director or supervisor.</p> <p>If there is a need to amend the method, in addition to the provisions of Article 172 and other provisions of the Company Law, the main contents of the method shall be enumerated and explained in the reason for convening.</p>	
<p>Article 14 Article 16</p>	(Omitted)	(Omitted)	Amendment to article number changes
<p>Article 15 Article 17</p>	<p>When the Chairman of the Board is on leave or is unable to exercise his duties and powers for any reason, its proxy shall act in accordance with the provisions in Article 208 of the Company Act.</p> <p>If the Board of Directors meeting is held by video conference, directors who participate in the meeting shall be deemed to be present in person.</p> <p><u>A Director shall attend Board meetings in person.</u> In case the director is unable to attend a meeting of board of directors, he shall issue a written proxy with his signature and seal, <u>listing the scope of</u> the authority with reference to the subjects to be discussed at the meeting and appoint one of the other directors as his proxy to attend the meeting. <u>A director may only act as the proxy of one other director.</u></p>	<p>When the Chairman of the Board is on leave or is unable to exercise his duties and powers for any reason, its proxy shall act in accordance with the provisions in Article 208 of the Company Act.</p> <p>If the Board of Directors meeting is held by video conference, directors who participate in the meeting shall be deemed to be present in person.</p> <p>In case the director is unable to attend a meeting of board of directors, he may issue a written proxy with his signature and seal, the scope of the authority with reference to the subjects to be discussed at the meeting and appoint one of the other directors as his proxy to attend the meeting.</p>	Amendment to article number changes & wording
<p>Article 15-1 Article 18</p>	<p>The convening of the Board of Directors shall be notified to the Directors in writing, by e-mail or by fax seven days before the convening of the Board of Directors. In case of emergency, it can be called at any time and can also be done in writing, by e-mail or by fax.</p>	<p>The convening of the Board of Directors shall be notified to the Directors and supervisors in writing, by e-mail or by fax seven days before the convening of the Board of Directors. In case of emergency, it can be called at any time and can also be done in writing, by e-mail or by fax.</p>	Amendment to article number changes & due to the Company's business needs and laws.
<p>Article 16 Article 19</p>	<p>Remunerations of all directors shall be determined and paid by the Board of Directors as authorized by the Company, according to the degree of participation in the operations of and contribution to the Company, and with reference to the standard as generally adopted by the enterprises of the same industry.</p> <p>During the term of office, all directors of the Company may purchase liability</p>	<p>Remunerations of all directors and supervisors shall be determined and paid by the Board of Directors as authorized by the Company, according to the degree of participation in the operations of and contribution to the Company, and with reference to the standard as generally adopted by the enterprises of the same industry at home or abroad.</p> <p>During the term of office, all directors</p>	Amendment to article number changes & due to the Company's business needs and laws.

Article	Article after revision	Article before revision	Explanation
	insurance to reduce and disperse the risk of damage to all directors, the Company and shareholders, and the Board of Directors is authorized to handle matters related to the liability insurance of all directors.	and supervisors of the Company may purchase liability insurance to reduce and disperse the risk of damage to all directors, supervisors , the Company and shareholders, and the Board of Directors is authorized to handle matters related to the liability insurance of all directors and supervisors .	
Article 17 Article 20	(Omitted)	(Omitted)	Amendment to article
Article 18 Article 21	(Omitted)	(Omitted)	number changes
Article 19 Article 22	If the company makes a profit in the year, it shall allocate 3%~20% for the employee compensation. The company shall decide by the board of directors to allocate no more than 1% of the above profit amount as the compensation of directors. However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate the employee compensation and directors in accordance with the proportion of the preceding paragraph.	If the company makes a profit in the year, it shall allocate 3%~20% for employee compensation, which shall be distributed by the board of directors by resolution in stock or cash, and the distribution object may include employees of subordinate companies holding more than 50% of the shares, and the conditions of which shall be determined by the board of directors of the company. The company shall decide by the board of directors to allocate no more than 1% of the above profit amount as the compensation of directors and supervisors . However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate the employee compensation and directors and supervisors in accordance with the proportion of the preceding paragraph.	Amendment to article number changes & due to the Company's business needs and laws.
Article 20 Article 23	If there is a surplus in the company's annual accounts, after paying taxes in accordance with the law and making up for the accumulated losses, another 10% shall be raised as the statutory surplus reserve, but when the statutory surplus reserve has reached the amount of the company's paid-in capital, it may not be raised, and be raised or reversed in accordance with the provisions of the law. If there is a balance and the accumulated undistributed earnings are accumulated, the board of directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders.	If there is a surplus in the company's annual accounts, after paying taxes in accordance with the law and making up for the accumulated losses, another 10% shall be raised as the statutory surplus reserve, but when the statutory surplus reserve has reached the amount of the company's paid-in capital, it may not be raised, and the rest shall be raised or reversed in accordance with the provisions of the law. If there is a balance and the accumulated undistributed earnings are accumulated, the board of directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for a resolution to distribute	Amendment to article number changes & wording.

Article	Article after revision	Article before revision	Explanation
	<p><u>The Company shall authorize the Board of Directors to distribute dividends and bonuses or to the resolution of more than two-thirds of the Directors and a resolution of a majority of the Directors present if all or part of the Statutory Surplus Reserve or Capital Reserve has been withdrawn in the form of cash distribution.</u></p> <p>The Company's dividends policy is in line with the current and future development plans, with the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders and other such factors taken into account; Dividends to shareholders are distributed annually on the distributable surplus not exceeding 90%; Dividends to shareholders may be distributed in cash or in stock, and the distribution of stock dividends shall not exceed 85% of the total amount of dividends to be paid.</p>	<p>dividends to shareholders.</p> <p>The Company's dividends policy is in line with the current and future development plans, with the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders and other such factors taken into account; Dividends to shareholders are distributed annually on the distributable surplus not exceeding 90%; Dividends to shareholders may be distributed in cash or in stock, and the distribution of stock dividends shall not exceed 85% of the total amount of dividends to be paid.</p>	
<p>Article 22 Article 24</p>	<p>(Omitted)</p>	<p>(Omitted)</p>	<p>Amendment to article number changes</p>
<p>Article 21 Article 25</p>	<p>(Omitted)</p>	<p>(Omitted)</p>	<p>Amendment to article number changes</p>
<p>Article 23 Article 26</p>	<p>The Articles of Incorporation were enacted on Jul. 25, 2003. The first amendment was made on Oct. 15, 2003. The second amendment was made on Dec. 5, 2003. The third amendment was made on Jan. 3, 2005. The fourth amendment was made on Apl. 22, 2005. The fifth amendment was made on Jun. 14, 2006. The sixth amendment was made on Dec. 11, 2007. The seventh amendment was made on Dec. 11, 2007. The eighth amendment was made on Jun. 13, 2008. The ninth amendment was made on Jun. 18, 2010. The tenth amendment was made on Mar. 29, 2011. The eleventh amendment was made on</p>	<p>The Articles of Incorporation were enacted on Jul. 25, 2003. The first amendment was made on Oct. 15, 2003. The second amendment was made on Dec. 5, 2003. The third amendment was made on Jan. 3, 2005. The fourth amendment was made on Apl. 22, 2005. The fifth amendment was made on Jun. 14, 2006. The sixth amendment was made on Dec. 11, 2007. The seventh amendment was made on Dec. 11, 2007. The eighth amendment was made on Jun. 13, 2008. The ninth amendment was made on Jun. 18, 2010. The tenth amendment was made on Mar. 29, 2011. The eleventh amendment was made on</p>	<p>Amendment to article number changes & Added amendment date</p>

Article	Article after revision	Article before revision	Explanation
	<p>Jun. 9, 2015. The twelfth amendment was made on Jun. 16, 2016. The thirteenth amendment was made on Jun. 21, 2022. The fourteenth amendment was made on Jun. 21, 2023. <u>The fifteenth amendment was made on May 16, 2024.</u></p>	<p>Jun. 9, 2015. The twelfth amendment was made on Jun. 16, 2016. The thirteenth amendment was made on Jun. 21, 2022. The fourteenth amendment was made on Jun. 21, 2023.</p>	

Attachment 6 : Rules for Election of Directors

Rules for Election of Directors

2024.5.16

Article 1

To ensure a just, fair, and open election of directors, these Rules are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Rules.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors

and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or

more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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 one 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 12

These Rules, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Attachment 7 : List of the Candidates for the Directors and Independent Directors

Title	Name	Educational Attainment/Experiences	Current Position	Number of Shares Held by the Person	The reason for nominating a person who has already been an independent director of the Company for 3 terms
Director	Chu,Bor-Luen	Graduate Institute of Computer science, University of Massachusetts Boston	Presidend of Advantech Co., Ltd.	859,122	Not applicable
Director	Yao, Te-Chang	Master, Graduate Institute of Finance, NTU Master, Graduate Institute of Electrical Engineering, University of Southern California	Vice president, Hsu-Pang Investment Consulting Co., Ltd. President of Taya Venture Capital Co., Ltd.	28,468	Not applicable
Director	BTL Investment Co., Ltd.			2,174,888	Not applicable
Independent Director	Hsu,Tzu-Hsuan	Graduate Institute of Electronics Engineering, National Taiwan University.	CEO of Linkwish Corp.,	0	Not applicable
Independent Director	Kung,Ju-Chin	Master of Business Administration at the University of California. NCCU LLM Program for Executives	Assistant Manager at PwC Accounting Firm General Manager and CFO at Next Media Holdings Group Chairman of Taipei Magazine Industry Association	0	Not applicable
Independent Director	Chang,Yu-Ta	NTU Graduate Institute of Finance, National Taiwan University.	CW & ET Link Inc-Vice President ShuoWang Information Co.Ltd.-Director XANDER international Corp.-Director Chander Electronics Corp.-Director LEDLINK OPTICS Inc.-Independent Director	0	Not applicable

			TVBS Media Inc.-Director POWER RADIO Co., Ltd.-Director Neweb Technologies Co., Ltd.-Director		
Independent Directo	Chang, Yi- Chen	MBA at the University of Texas Department of Accounting, Soochow University	Chief Financial Officer, Taiwan Branch, Gillette(USA) Co., Ltd. Senior Executive Director, Taiwan Branch,LAM Research (H.K.) Limited Taiwan Branch	0	Not applicable

Attachment 8 :

Breakdown of Lifting of Directors From Prohibition of Competition

Title	Name	Current Position
Director	Chu, Bor-Luen	BTL Investment Co., Ltd.-Chairperson ISMP Co., Ltd.-Director i5V Co., Ltd-Director ACTi International Corporation-Director ACTi Corporation Inc.-Director Zhiyi Da Dao Investment LLC-Director Qi Yi Da Dao Investment LLC-Director Zhiyi Da Dao Investment LLC-Director Catwalk International (Corp) Company, Seychelles-Director
Director	BTL Investment Co., Ltd.	ISMP Co., Ltd.-Corporate Director i5V Co., Ltd.- Corporate Director
Director	Yao, Te-Chang	JENTECH Precision Industrial Co., Ltd.-Independent Director Fitipower Integrated Technology Inc.-Independent Director LedLink Optics Inc -Corporate Director Rept. UDE Corp.-Corporate Director Rept ASIX Electronics Corp -Director YOUNGTEX ELECTRONICS CORP.-Director Taitien Electronics Co., Ltd. -Director GIGASTONE CORPORATION-Director Synck-Tech System Corp-Director LeRain Technology Co., Ltd-Director LeDiamond OPTO Corp.-Director WELLYSUN Inc.-Supervisor
Independent Director	Chang, Yu-Ta	CW & ET Link Inc-Vice President ShuoWang Information Co.Ltd.-Director XANDER international Corp.-Director Chander Electronics Corp.-Director LedLink Optics Inc--Independent Director TVBS Media Inc.-Director POWER RADIO Co., Ltd.-Director Neweb Technologies Co., Ltd.-Director
Independent Director	Hsu, Tzu-Hsuan	WishMobile, Inc.-Chairperson Linkwish Inc.-Director
Independent Director	Kung, Ju-Chin	Wintech Microelectronics Co., Ltd.-Independent Director CoAsia Electronics Corp.-Independent Director Panram International Corp.-Independent Director

Appendix 3 : Current Shareholding of Directors

1. The paid-in capital of the Company is NT\$265,816,850 , with a total of 26,581,685 Outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 3,189,802 shares.
3. As of the date for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

March 18,2024

Title	Name	Shareholding on the shareholder' s registry	
		Shares	Ratio(%)
Chairman	Chu, Bor-Luen	859,122	3.23%
Director	BTL Investment Co., Ltd. Representative : Kuo, Tai-Cheng	2,174,888	8.18%
Director	Huacheng Investment Co., Ltd. Representative : Yao, Te-Chang	224,749	0.85%
Director	Zhiyi Da Dao Investment LLC. Representative : Ho, Wen-Tuan	467,356	1.76%
Independent Director	Wu, Yu-Tun	0	0.00%
Independent Director	Liang, Ming-Cheng	0	0.00%
Independent Director	Hsu, Tzu-Hsuan	0	0.00%
Total		3,726,115	14.02%

4. Our Company has an Audit Committee.