

Translation –In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Stock Code: 8255

# **Actron Technology Corporation**

## **2024 Annual General Shareholders' Meeting**

# **Meeting Handbook**

Date: May 24, 2024 at 9:00 a.m.

Location: B1, No.22, Sec. 2, Nankan Rd., Luzhu Dist.,  
Taoyuan City 338, Taiwan

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# **Actron Technology Corporation**

## **2024 Annual general Shareholders' Meeting Agenda**

Date: May 24, 2024 at 9:00 a.m.

Location: B1, No.22, Sec. 2, Nankan Rd., Luzhu Dist., Taoyuan City 338, Taiwan

1. Chairperson Calls the Meeting to Order (and reports equity shares in attendance)
2. Opening Remarks by the Chairperson
3. Report Items :
  - (1) To report the business of 2023
  - (2) Audit Committee's review report
  - (3) To report the distribution of 2023 employees' and directors' compensation
  - (4) To report the proposal for the 2023 earnings distribution of cash dividends
  - (5) Report on rejection on private placement of common shares after the expiration date
  - (6) Report on the issuance of domestic unsecured corporate bond
4. Ratification and Discussion Items :
  - (1) To accept 2023 business report and financial statements
  - (2) To accept the proposal for the distribution of 2023 earnings
  - (3) Amendment to the "Rules for Election of Directors"
5. Provisional Motions
6. Adjournment

## Reports Items

Item 1            2023 Business Report

Explanation:    2023 Business Report, please refer to Attachment 1.

Item 2            Audit Committee's Review Report

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Actron Technology Corporation the 2023 Business Report, Financial Statements and Earnings distribution proposal. The Financial Statements have been duly audited by Certified Public Accountants Ming Hsien Liu and Meng Chieh Chiu of Deloitte Touche Tohmatsu International Taiwan. The above Business Report, Financial Statements and Earnings distribution proposal have been examined and determined to be correct by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law.

The Audit Committee, Chairman:

Mr. Chung-Hsien Liu

February 23, 2024

Item 3            Employees and Directors compensation for 2023

Explanation:

- (1) Pursuant to Article 18 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, least 5% of the profit shall be allocated as the remuneration of employees, and no more than 3% shall be appropriated for directors' remuneration.
- (2) The company 2023 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD906,426,379. The Company is proposed to distribute NTD 78,182,323 to employees (distribution ratio 8.63%) and NTD 19,200,000 to directors (distribution ratio 2.12%). Distribution to both employees and directors is made in cash.

Item 4            The distribution of cash dividends for 2023

Explanation:

1. In Fiscal Year 2023, the Company made a net profit of NT\$723,192,715. The profit to be distributed among shareholders shall be NT\$507,237,400 in cash dividends (NT\$5.00 per share).
2. It is proposed to authorize the chairman of the board to set the dividend base date and other related matters. This cash dividend is calculated according to the distribution ratio to the nearest dollar, and fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income.
3. In the event of repurchase of the Company's shares, transfer, conversion or annulment of treasury stocks, capital increase by issuing new shares, and issuance of employee restricted stocks, leading to a change in the number of outstanding shares and a consequent change in stock dividends and dividend yield, it is proposed that the Chairman be authorized to duly

adjust stocks and cash payout rates.

4. The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders' meeting in accordance with Article 19 of the Articles of Incorporation.

Item 5            Report on the issuance of domestic unsecured corporate bond

Explanation:    According to the resolution of AGM on May 26, 2023 and Article 43-6 of Securities Exchange Act, new shares within the issuance of 15,000,000 shares will be expired on May 25, 2024. Rejection will be conducted from the expiration date due to overall financial considerations.

Item 6            Report on the issuance of domestic unsecured corporate bond

Explanation:    The company issued the first domestic unsecured convertible corporate bonds in 2013. The issuance situation is as follows:

1. Name of Bond: Actron Technology Corporation first domestic unsecured conversion of corporate bonds
2. Total denomination issued: NT\$800,000,000.
3. Face amount: NT\$100,000
4. Issuance period: 3 years, from August 9, 2013 to August 9, 2016
5. Issue price: 100.5% of face value
6. Coupon interest rate : 0%
7. Repayment method: one-time repayment upon maturity
8. Trustee: yuanta commercial bank
9. Implementation status of the fund utilization plan: Fully implemented in the third quarter of 2013
10. Purpose of funds: repaying loans

## Ratification and Discussion Items :

Item 1 (Proposed by the Board of Directors)

Proposal: Adoption of 2023 Business Report and Financial Statements.

Explanation:

1. 2023 financial statements have been audited by Certified Public Accountant MING XIAN LIU and Certified Public Accountant Meng-Chieh Chiu of Deloitte Touche Tohmatsu International Taiwan and were discussed.
2. 2023 business report, please refer to Attachment 1.
3. 2023 financial statements, please refer to Attachment 2 and Attachment 3.

Resolution:

Item 2 (Proposed by the Board of Directors)

Proposal: Adoption of the Proposal for Appropriation of 2023 Earnings.

Explanation:

1. The proposal for Actron Technology's (the Company) 2023 appropriation of earnings was already resolved in the Board of Directors meeting convened. Earnings Distribution Proposal is as follows:

### Actron Technology Corporation 2023 Earnings Distribution Proposal

Unit : NTD

Unallocated earnings, beginning of year	1,166,958,725
Remeasurement of defined benefit obligation that has been recognized in retained earnings.	(1,133,129)
Adjustments on equity method investments	<u>12,239,438</u>
Adjusted Unallocated earnings	1,178,065,034
Net income after tax for the year	723,192,715
Legal reserve	<u>(73,429,903)</u>
Distributable earnings	<u>1,827,827,846</u>
Distribution:	
Cash dividends: (NT\$5.00 /per share)	<u>(507,237,400)</u>
Unallocated earnings, end of year	<u>1,320,590,446</u>
<ol style="list-style-type: none"> <li>1. In the event of repurchase of the Company's shares, transfer, conversion or annulment of treasury stocks, capital increase by issuing new shares, and issuance of employee restricted stocks, leading to a change in the number of outstanding shares and a consequent change in stock dividends and dividend yield, it is proposed that the chairman is authorized to duly adjust stocks and cash payout rates.</li> <li>2. The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders' meeting in accordance with Article 19 of the Articles of Incorporation.</li> </ol>	

Resolution:

Item 3

(Proposed by the Board of Directors)

Proposal: T Amendment to the “Rules for Election of Directors”

Explanation:

1. In order to comply with the revised regulations from competent authorities, an amendment to “Rules for Election of Directors” of the Company is proposed.
2. Please refer to Attachment 4 for a comparison of the contents before and after amendment.

## **Provisional Motions**

## **Adjournment**

**Actron Technology Corporation  
Business Report**

**I. Corporate Operations in 2023**

Our consolidated revenue totaled NT\$ 5,648,694,000 in 2023. Net profit attributable to Owners of the parent company NT\$ 723,193,000 and basic earnings per share were NT\$ 7.68. Gross profit margin was 25%. Consolidated revenue totaled NT\$4,197,839,000 in 2022. Net profit attributable to Owners of the parent company NT\$560,552,000 and basic earnings per share was NT\$ 6.14. Consolidated revenue of 2023 increased 35%, Net profit attributable to owners of the Company of 2023 increased 29%.

At present, the Global is currently facing the effects of inflation. The economy still has risk variables and industry risks are rising. However, the company is in line with the development trend of electric vehicles. Emphasis on the continuous development of new product research and development, the ratio of research and development expenses to revenue in 2023 is 10%. It is hoped that in 2024, new products will be launched smoothly one after another, the production schedule and shipment of high-end products will be accelerated, and mass production scale will be entered as soon as possible to generate synergistic effects.

**II. Corporate Operations Plan**

As the Russia-Ukraine war continues, the Red Sea crisis causes an increase in shipping costs between Europe and Asia, and the overall global economy is declining due to inflation. It is expected that in 2024, the company will plan its operating policy steadily, continue to improve its R&D and innovation capabilities, and accelerate the development of the industry through cooperative relations after the integration of the industry. Develop technology and high-end products, face changes in the economic environment with prudent thinking and attitude, provide customer-satisfied product quality and services, enable the company to expand business more actively and enhance product competitiveness, maintain stable growth, and create higher profits.

Chairman of the Board:  
Tan-Liang Yao

Managerial Officer:  
Hsien-Chung Wu

Finance and Accounting  
Supervisor:  
Mei-Ying Chiu



**Independent Auditors' Report**

To the Board of Directors and Shareholders of Actron Technology Corporation:

**Opinion**

We have audited the accompanying consolidated balance sheets of Actron Technology Corporation (the “Company”) and its subsidiaries (collectively, the “Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the years then ended, the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 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. 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 Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matter**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the Group's 2022 consolidated financial statements. The matter was addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on the matter.

Key audit matter for the Group's 2022 consolidated financial statements is stated as follows:

**Sales revenue****Description of key audit matter**

Manufacturing and sales of automotive diodes constitute the majority of the Group's sales revenue, which fluctuates with the sales to some particular customers. In consideration of the significant impact of particular sales revenue on the Group's financial performance, we focused

on the occurrence of its sales revenue from some particular customers as the key audit matter of our annual audit of this year.

The audit procedures for the matter included:

1. We understood and evaluated the accounting policies in recognition of sales revenue.
2. We understood and evaluated the effectiveness of internal control relevant to the occurrence of sales revenue.
3. We conducted the sample testing on the said particular sales revenue by examining relevant internal and external documents to prove the fact of shipping and testing for any irregularity of subsequent cash receipts to confirm the actual occurrence of the year's sales revenue.

### **Other Matters**

We did not audit the financial statements of Bigbest Solutions, Inc., included in the consolidated financial statements, which were audited by other auditors. Therefore, the amounts related to Bigbest Solutions, Inc.'s financial statements in our opinion expressed herein, are based solely on the reports of the other auditors. The total assets of Bigbest Solutions, Inc. amounted to \$356,043 thousand and \$337,545 thousand, representing 4% and 3% of the related consolidated totals as of December 31, 2022 and 2021, respectively, and total operating revenues amounted to \$329,575 thousand and \$160,513 thousand, constituting 8% and 4% of the related consolidated totals for the years then ended, respectively. As disclosed in Note 12, We did not audit the financial statements of investments accounted for under the equity method included in the consolidated financial statements, which were audited by other auditors. Therefore, the related investment amounts and share of profit of associates accounted for under the equity method in the aforementioned companies in our opinion expressed herein, are recognized based solely on the reports of the other auditors. The total investments in aforementioned associates accounted for using the equity method audited by other auditors amounted to \$1,311,702 thousand and \$479,255 thousand, representing 13% and 5% of the related consolidated totals as of December 31, 2022 and 2021, respectively. The related share of profit of the aforementioned associates accounted for using the equity method amounted to \$99,537 thousand and \$43,782 thousand, constituting (32)% and 4% of the consolidated total comprehensive income for the years then ended, respectively.

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of Actron Technology Corporation as of and for the years ended December 31, 2022 and 2021.

### **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 IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management

either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 auditing standards, we exercise professional judgment and 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 Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's 2022 consolidated financial statements 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.

Deloitte Taiwan

Partner Ming Hsien Liu

Partner Meng Chieh Chiu

Financial Supervisory Commission Certificate  
Jin-Guan-Zheng-Shen-Zi No. 1100356048

Financial Supervisory Commission Certificate  
Jin-Guan-Zheng-Shen-Zi No. 1020025513

### 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.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Actron Technology Corporation and Subsidiaries

Consolidated balance sheets

December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Asset	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 6)	\$ 784,443	8	\$ 1,196,337	13
1136	Financial assets at amortized cost - current (Note 8 and 29)	57,346	1	72,922	1
1150	Notes receivable (Note 9)	-	-	6,950	-
1170	Trade receivables (Note 9)	823,935	8	597,469	6
1200	Other receivables	27,460	-	36,055	-
130X	Inventories (Note 10)	800,048	8	735,123	8
1470	Other current assets (Note 16 and 28)	<u>166,421</u>	<u>2</u>	<u>112,188</u>	<u>1</u>
11XX	Total current assets	<u>2,659,653</u>	<u>27</u>	<u>2,757,044</u>	<u>29</u>
	non-current assets				
1517	Financial assets at fair value through other comprehensive income -non-current (Note 7)	626,125	6	699,746	7
1535	Financial assets at amortized cost - non-current (Note 8 and 29)	501	-	500	-
1550	Investments accounted for using the equity method (Note 12)	2,223,415	23	2,117,268	22
1600	Property, Plant and Equipment (Note 13 and 29)	3,212,069	33	2,866,804	30
1755	Right-of-use assets (Note 14)	36,273	-	39,098	-
1821	Intangible assets (Note 15)	11,479	-	20,011	-
1840	Deferred tax assets (Note 22)	38,681	-	21,296	-
1915	Prepayments for equipment	589,305	6	819,863	9
1990	Other non-current assets (Note 16, 19 and 28)	<u>470,762</u>	<u>5</u>	<u>326,917</u>	<u>3</u>
15XX	Total non-current assets	<u>7,208,610</u>	<u>73</u>	<u>6,911,503</u>	<u>71</u>
1XXX	Total assets	<u>\$ 9,868,263</u>	<u>100</u>	<u>\$ 9,668,547</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 17)	\$ 1,700,010	17	\$ 1,408,225	15
2110	Short-term notes and bills payable (Note 17)	-	-	100,000	1
2150	Notes payable	267	-	161	-
2170	Trade payables	298,897	3	256,374	3
2180	Trade payables - related parties (Note 28)	166,976	2	118,114	1
2200	Other payables (Note 18)	373,293	4	327,694	3
2230	Current tax liabilities (Note 22)	109,677	1	83,363	1
2280	Lease liabilities - current (Note 14)	5,311	-	5,682	-
2320	Current liabilities -current portion (Note 17 and 29)	192,099	2	436,469	5
2399	Other current liabilities	<u>37,802</u>	<u>-</u>	<u>38,401</u>	<u>-</u>
21XX	Total current liabilities	<u>2,884,332</u>	<u>29</u>	<u>2,774,483</u>	<u>29</u>
	non-current liabilities				
2540	Long-term borrowings (Note 17 and 29)	1,179,412	12	421,488	4
2570	Deferred tax liabilities (Note 22)	19,925	-	16,727	-
2580	Lease liabilities - non-current (Note 14)	1,788	-	4,030	-
2670	Other non-current liabilities	-	-	<u>1,100</u>	<u>-</u>
25XX	Total non-current liabilities	<u>1,201,125</u>	<u>12</u>	<u>443,345</u>	<u>4</u>
2XXX	Total liabilities	<u>4,085,457</u>	<u>41</u>	<u>3,217,828</u>	<u>33</u>
	Equity attributable to owners of the parent company (Note 20)				
	Share capital				
3110	Ordinary shares	<u>914,470</u>	<u>9</u>	<u>914,570</u>	<u>9</u>
3200	Capital surplus	<u>1,747,491</u>	<u>18</u>	<u>1,747,150</u>	<u>18</u>
	Retained earnings				
3310	Legal reserve	706,576	7	659,284	7
3350	Undistributed earnings	<u>1,590,158</u>	<u>16</u>	<u>1,429,165</u>	<u>15</u>
3300	Total retained earnings	<u>2,296,734</u>	<u>23</u>	<u>2,088,449</u>	<u>22</u>
	Other equity				
3410	Exchange difference on translating foreign operations	( 15,365 )	-	( 21,587 )	-
3420	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	554,876	6	1,450,903	15
3460	Estimated employee compensation	-	-	( <u>1,688</u> )	-
3400	Total other equity	<u>539,511</u>	<u>6</u>	<u>1,427,628</u>	<u>15</u>
31XX	Total equity attributable to owners of the parent company	5,498,206	56	6,177,797	64
36XX	Non-controlling interests	<u>284,600</u>	<u>3</u>	<u>272,922</u>	<u>3</u>
3XXX	Total equity	<u>5,782,806</u>	<u>59</u>	<u>6,450,719</u>	<u>67</u>
	Total liabilities and equity	<u>\$ 9,868,263</u>	<u>100</u>	<u>\$ 9,668,547</u>	<u>100</u>

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

(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Actron Technology Corporation and Subsidiaries

Consolidated statements of comprehensive income

For the years ended December 31, 2022 and 2021

Unit: In thousands of New Taiwan Dollars, except that Earnings Per Share are stated in NT\$

Code		2022		2021	
		Amount	%	Amount	%
4000	Net operating revenue	\$ 4,197,839	100	\$ 3,795,908	100
5000	Cost of sales (Note 10, 21 and 28)	( 2,992,803 )	( 71 )	( 2,664,178 )	( 70 )
5900	Gross profit	1,205,036	29	1,131,730	30
	Operating expenses (Note 21 and 28)				
6100	Selling and marketing expenses	( 88,384 )	( 2 )	( 84,748 )	( 2 )
6200	Administrative expenses	( 321,559 )	( 8 )	( 294,146 )	( 8 )
6300	Research and Development expenses	( 397,804 )	( 9 )	( 329,421 )	( 9 )
6450	Expected credit losses	( 1,316 )	-	( 609 )	-
6000	Total operating expenses	( 809,063 )	( 19 )	( 708,924 )	( 19 )
6900	Operating income	395,973	10	422,806	11
	Non-operating income and expenses (Note 21)				
7100	Interest income	6,172	-	2,751	-
7190	Other income	42,459	1	37,857	1
7020	Other gains and losses	77,830	2	( 20,915 )	( 1 )
7050	Finance costs	( 32,092 )	( 1 )	( 18,372 )	-
7060	Share of profit of investment in associates and joint ventures accounted for using equity method	158,024	4	109,993	3
7000	Total non-operating income and expenses	252,393	6	111,314	3
7900	Profit before tax	648,366	16	534,120	14
7950	Income tax expense (Note 22)	( 76,190 )	( 2 )	( 66,153 )	( 2 )
8200	Net profit for the year	572,176	14	467,967	12

(to be continued)

(continued)

Code		2022		2021	
		Amount	%	Amount	%
8310	Other comprehensive income				
	Items not reclassified				
	subsequently to profit or loss:				
8311	Remeasurement of defined				
	benefit plan	\$ 5,425	-	\$ 979	-
8316	Unrealized gain (loss) on				
	investments in equity				
	instruments designated				
	as at fair value through				
	other comprehensive				
	income	( 174,821 )	( 4 )	72,577	2
8320	Share of other				
	comprehensive income				
	of associates and joint				
	ventures accounted for				
	using the equity method	( 715,734 )	( 17 )	437,412	12
8349	Income tax relating to				
	items that will not be				
	reclassified	( 1,085 )	-	( 196 )	-
8360	Items that may be reclassified				
	subsequently to profit or loss:				
8361	Exchange difference on				
	translating foreign				
	operations	6,222	-	( 3,256 )	-
8300	Other comprehensive				
	income for the year, net				
	of income tax	( 879,993 )	( 21 )	507,516	14
8500	Total comprehensive income for the				
	year	( \$ 307,817 )	( 7 )	\$ 975,483	26
	Net profit attributable to:				
8610	Owners of the parent company	\$ 560,552	14	\$ 478,436	12
8620	Non-controlling interests	11,624	-	( 10,469 )	-
8600		\$ 572,176	14	\$ 467,967	12
	Total comprehensive income (loss)				
	attributable to:				
8710	Owners of the parent company	( \$ 319,441 )	( 7 )	\$ 985,952	26
8720	Non-controlling interests	11,624	-	( 10,469 )	-
8700		( \$ 307,817 )	( 7 )	\$ 975,483	26
	Earnings per share (Note 23)				
9710	Basic	\$ 6.14		\$ 5.25	
9810	Diluted	\$ 6.08		\$ 5.22	

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

(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)  
Actron Technology Corporation and Subsidiaries  
Consolidated statements of changes in equity  
For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

		Equity attributable to owners of the parent company								
						Other equity				
		Retained earnings				Exchange difference on translating foreign operations	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	Estimated employee compensation	Non-controlling interests	Total equity
Code		Ordinary shares	Capital surplus	Legal reserve	Undistributed earnings					
A1	Balance on January 1, 2021	\$ 914,830	\$ 1,813,037	\$ 631,133	\$ 1,194,811	( \$ 18,331 )	\$ 934,611	( \$ 6,832 )	\$ 283,234	\$ 5,746,493
	Appropriation of 2020 earnings									
B1	Legal reserve	-	-	28,151	( 28,151 )	-	-	-	-	-
B5	Cash dividends	-	-	-	( 210,411 )	-	-	-	-	( 210,411 )
C15	Cash dividends from capital surplus	-	( 64,038 )	-	-	-	-	-	-	( 64,038 )
C7	Changes in equity of investment in associates and joint ventures accounted for using equity method	-	( 12 )	-	-	-	-	-	-	( 12 )
N1	Share-based payment transactions	-	-	-	-	-	-	4,347	157	4,504
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	( 2,718 )	-	2,718	-	-	-
T1	Cancellation of restricted shares	( 260 )	( 1,837 )	-	-	-	-	797	-	( 1,300 )
D1	Net income for the year ended December 31, 2021	-	-	-	478,436	-	-	-	( 10,469 )	467,967
D3	Other comprehensive income for the year ended December 31, 2021	-	-	-	( 2,802 )	( 3,256 )	513,574	-	-	507,516
D5	Total comprehensive income for the year ended December 31, 2021	-	-	-	475,634	( 3,256 )	513,574	-	( 10,469 )	975,483
Z1	Balance on December 31, 2021	914,570	1,747,150	659,284	1,429,165	( 21,587 )	1,450,903	( 1,688 )	272,922	6,450,719
	Appropriation of 2021 earnings									
B1	Legal reserve	-	-	47,292	( 47,292 )	-	-	-	-	-
B5	Cash dividend	-	-	-	( 365,828 )	-	-	-	-	( 365,828 )
C7	Changes in equity of investment in associates and joint ventures accounted for using equity method	-	( 3,995 )	-	( 860 )	-	4,609	246	-	-
C17	Exercise of right of disgorgement	-	1,024	-	-	-	-	-	-	1,024
N1	Share-based payment transactions	-	4,032	-	-	-	-	1,122	54	5,208
T1	Cancellation of restricted shares	( 100 )	( 720 )	-	-	-	-	320	-	( 500 )
D1	Net income for the year ended December 31, 2022	-	-	-	560,552	-	-	-	11,624	572,176
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	14,421	6,222	( 900,636 )	-	-	( 879,993 )
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	574,973	6,222	( 900,636 )	-	11,624	( 307,817 )
Z1	Balance on December 31, 2022	\$ 914,470	\$ 1,747,491	\$ 706,576	\$ 1,590,158	( \$ 15,365 )	\$ 554,876	\$ -	\$ 284,600	\$ 5,782,806

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu



(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Actron Technology Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

Code		2022	2021
	Cash flows from operating activities		
A00010	Profit before tax	\$ 648,366	\$ 534,120
A20010	Adjustments for:		
A20100	Depreciation expenses	319,795	273,831
A20200	Amortization expenses	9,271	10,969
A20300	Expected credit losses	1,316	609
A20900	Finance costs	32,092	18,372
A21200	Interest income	( 6,172 )	( 2,751 )
A21300	Dividend income	( 18,396 )	( 18,000 )
A21900	Compensation cost related to share-based payment	5,096	3,850
A22300	Share of profit of investment in associates and joint ventures accounted for using equity method	( 158,024 )	( 109,993 )
A22500	Loss on disposal of property, plant and equipment	27,287	5,744
A23700	Impairment loss and obsolescence on inventory	9,555	10,898
A24100	Net loss (gain) on foreign currency exchange	( 4,417 )	50
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	6,950	9,901
A31150	Trade receivables	( 237,502 )	( 3,260 )
A31180	Other receivables	9,295	( 11,337 )
A31200	Inventory	( 74,480 )	( 270,110 )
A31240	Other current assets	( 48,949 )	( 8,264 )
A31990	Other non-current assets	( 979 )	-
A32130	Notes payable	106	75
A32150	Trade payables	43,151	24,995
A32160	Trade payables to related parties	51,490	33,683
A32180	Other payables	54,051	57,060
A32230	Other current liabilities	( 599 )	3,902
A32240	Net defined benefit liabilities	-	( 958 )
A33000	Net cash generated from operating activities	668,303	563,386
A33100	Interest received	5,472	2,751
A33200	Dividend received	91,950	64,076
A33300	Interest paid	( 30,612 )	( 18,372 )
A33500	Income tax paid	( 65,148 )	( 32,300 )
AAAA	Net cash inflows from operating activities	<u>669,965</u>	<u>579,541</u>

(to be continued)

(continued)

Code		2022	2021
	Cash flows from investing activities		
B00010	Purchases of financial assets at fair value through other comprehensive income	( \$ 101,200 )	\$ -
B00050	Disposal of financial assets at amortized cost	15,575	97,969
B01800	Acquisition of investments accounted for using the equity method	( 737,299 )	-
B02700	Purchases of property, plant and equipment	( 338,174 )	( 410,758 )
B02800	Proceeds from disposal of property, plant and equipment	3,876	13,613
B03700	Increase in refundable deposits	-	( 144,900 )
B03800	Decrease in refundable deposits	39,541	-
B04500	Purchases of intangible assets	( 740 )	( 4,462 )
B02000	Increase in prepayments for investments	( 171,385 )	-
B07100	Increase in prepayments for equipment	( <u>125,314</u> )	( <u>755,457</u> )
BBBB	Net cash outflows from investing activities	( <u>1,415,120</u> )	( <u>1,203,995</u> )
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	291,785	549,125
C00500	Increase in short-term notes and bills payable	-	100,000
C00600	Decrease in short-term notes and bills payable	( 100,000 )	-
C01600	Proceeds from long-term borrowings	1,800,000	700,000
C01700	Repayments of long-term borrowings	( 1,286,446 )	( 579,768 )
C04020	Repayments of the principal portion of lease liabilities	( 6,720 )	( 7,404 )
C03000	Receipt of guarantee deposits	( 1,100 )	-
C04500	Dividend payments	( 365,828 )	( 274,451 )
C05400	Cancellation of restricted shares	( 500 )	( 1,300 )
C09900	Exercise of right of disgorgement	<u>1,024</u>	-
CCCC	Net cash inflows from financing activities	<u>332,215</u>	<u>486,202</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>1,046</u>	( <u>445</u> )
EEEE	Decrease in cash and cash equivalents	( 411,894 )	( 138,697 )
E00100	Cash and cash equivalents at the beginning of the year	<u>1,196,337</u>	<u>1,335,034</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 784,443</u>	<u>\$ 1,196,337</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu

**Independent Auditors' Report**

To the Board of Directors and Shareholders of Actron Technology Corporation:

**Opinion**

We have audited the accompanying balance sheets of Actron Technology Corporation (the "Company") as of December 31, 2022 and 2021, and the related statements of comprehensive income, the statements of changes in equity and cash flows for the years then ended, the related notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors, as described in the other matter section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

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

**Key Audit Matter**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the Company's 2022 financial statements. The matter was addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on the matter.

Key audit matter for the Company's 2022 financial statements is stated as follows:

**Sales revenue****Description of key audit matter**

Manufacturing and sales of automotive diodes constitute the majority of the Company's sales revenue, which fluctuates with the sales to some particular customers. In consideration of the significant impact of sales revenue on financial performance, we focused on the occurrence of the Company's sales revenue from some particular customers as the key audit matter of our annual audit of this year.

The audit procedures for the matter included:

1. We understood and evaluated the accounting policies in recognition of sales revenue.
2. We understood and evaluated the effectiveness of internal control relevant to the occurrence of sales revenue.
3. We conducted the sample testing on the said particular sales revenue by examining relevant internal and external documents to prove the fact of shipping and testing for any irregularity of subsequent cash receipts to confirm the actual occurrence of the year's sales revenue.

#### **Other Matters**

As disclosed in Note 11, We did not audit the financial statements of investments accounted for under the equity method included in the financial statements, which were audited by other auditors. Therefore, the related investment amounts and share of profit of associates accounted for under the equity method in the aforementioned associates in our opinion expressed herein, are recognized based solely on the reports of the other auditors. Total investments in aforementioned associates accounted for under the equity method audited by other auditors amounted to \$1,480,011 thousand and \$643,968 thousand, representing 15% and 7% of the related totals as of December 31, 2022 and 2021, respectively. Related share of profit of aforementioned associates accounted for under the equity method amounted to \$103,112 thousand and \$35,025 thousand, constituting (32)% and 4% of the total comprehensive income for the years then ended, respectively.

#### **Responsibilities of Management and those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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, related safeguards.

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the Company's 2022 financial statements and is therefore the key audit matter. 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.

Deloitte Taiwan

Partner Ming Hsien Liu

Partner Meng Chieh Chiu

Financial Supervisory Commission Certificate  
Jin-Guan-Zheng-Shen-Zi No. 1100356048

Financial Supervisory Commission Certificate  
Jin-Guan-Zheng-Shen-Zi No. 1020025513

#### **Notes to Readers**

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

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

## Actron Technology Corporation

## Balance sheets

December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Asset	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 6)	\$ 441,477	5	\$ 926,247	10
1136	Financial assets at amortized cost - current (Note 8 and 28)	14,250	-	16,757	-
1170	Trade receivables (Note 9)	683,562	7	490,917	5
1200	Other receivables	26,917	-	35,461	1
1210	Other payables - related parties (Note 27)	3,487	-	21,976	-
130X	Inventories (Note 10)	690,592	7	550,236	6
1470	Other current assets (Note 15 and 27)	<u>153,938</u>	<u>2</u>	<u>92,619</u>	<u>1</u>
11XX	Total current assets	<u>2,014,223</u>	<u>21</u>	<u>2,134,213</u>	<u>23</u>
	non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 7)	626,125	7	699,746	7
1550	Investments accounted for using the equity method (Note 11)	3,273,095	34	3,140,552	34
1600	Property, Plant and Equipment (Note 12 and 28)	2,815,004	29	2,443,314	26
1755	Right-of-use assets (Note 13)	894	-	175	-
1780	Intangible assets (Note 14)	7,603	-	13,404	-
1840	Deferred tax assets (Note 21)	38,414	-	20,947	-
1915	Prepayments for equipment	587,895	6	815,325	9
1990	Other non-current assets (Note 15, 18 and 27)	<u>242,307</u>	<u>3</u>	<u>98,462</u>	<u>1</u>
15XX	Total non-current assets	<u>7,591,337</u>	<u>79</u>	<u>7,231,925</u>	<u>77</u>
1XXX	Total assets	<u>\$ 9,605,560</u>	<u>100</u>	<u>\$ 9,366,138</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 16)	\$ 1,700,000	18	\$ 1,350,000	14
2110	Short-term notes and bills payable (Note 16)	-	-	100,000	1
2150	Notes payable	267	-	161	-
2170	Trade payables	207,410	2	167,541	2
2180	Trade payables - related parties (Note 27)	349,199	4	312,578	3
2200	Other payables (Note 17)	321,703	3	284,843	3
2230	Current tax liabilities (Note 21)	101,854	1	73,033	1
2280	Lease liabilities - current (Note 13)	444	-	177	-
2325	Provisions - current	28,174	-	-	-
2320	Long-term borrowings - current portion (Note 16 and 28)	190,588	2	430,000	5
2399	Other current liabilities	<u>7,925</u>	<u>-</u>	<u>33,281</u>	<u>-</u>
21XX	Total current liabilities	<u>2,907,564</u>	<u>30</u>	<u>2,751,614</u>	<u>29</u>
	non-current liabilities				
2540	Long-term borrowings (Note 16 and 28)	1,179,412	13	420,000	5
2570	Deferred tax liabilities (Note 21)	19,925	-	16,727	-
2580	Lease liabilities - non-current (Note 13)	<u>453</u>	<u>-</u>	<u>-</u>	<u>-</u>
25XX	Total non-current liabilities	<u>1,199,790</u>	<u>13</u>	<u>436,727</u>	<u>5</u>
2XXX	Total liabilities	<u>4,107,354</u>	<u>43</u>	<u>3,188,341</u>	<u>34</u>
	Equity (Note 19 and 23)				
	Share capital				
3110	Ordinary shares	<u>914,470</u>	<u>9</u>	<u>914,570</u>	<u>10</u>
3200	Capital surplus	<u>1,747,491</u>	<u>18</u>	<u>1,747,150</u>	<u>19</u>
	Retained earnings				
3310	Legal reserve	706,576	7	659,284	7
3350	Undistributed earnings	<u>1,590,158</u>	<u>17</u>	<u>1,429,165</u>	<u>15</u>
3300	Total retained earnings	<u>2,296,734</u>	<u>24</u>	<u>2,088,449</u>	<u>22</u>
	Other equity				
3410	Exchange difference on translating foreign operations	( 15,365 )	-	( 21,587 )	-
3420	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	554,876	6	1,450,903	15
3490	Estimated employee compensation	-	-	( 1,688 )	-
3400	Total other equity	<u>539,511</u>	<u>6</u>	<u>1,427,628</u>	<u>15</u>
3XXX	Total equity	<u>5,498,206</u>	<u>57</u>	<u>6,177,797</u>	<u>66</u>
	Total liabilities and equity	<u>\$ 9,605,560</u>	<u>100</u>	<u>\$ 9,366,138</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.  
(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)

Actron Technology Corporation

Statements of comprehensive income

For the years ended December 31, 2022 and 2021

Unit: In thousands of New Taiwan Dollars,  
except that Earnings Per Share are stated in NT\$

Code		2022		2021	
		Amount	%	Amount	%
4000	Net operating revenue	\$ 3,536,411	100	\$ 3,246,501	100
5110	Cost of sales (Note 10, 20 and 27)	( 2,554,145 )	( 72 )	( 2,320,522 )	( 71 )
5950	Gross profit	982,266	28	925,979	29
	Operating expenses (Note 20 and 27)				
6100	Selling and marketing expenses	( 72,522 )	( 2 )	( 68,954 )	( 2 )
6200	Administrative expenses	( 242,591 )	( 7 )	( 215,296 )	( 7 )
6300	Research and Development expenses	( 359,411 )	( 10 )	( 292,121 )	( 9 )
6450	Expected credit losses	( 1,316 )	-	( 609 )	-
6000	Total operating expenses	( 675,840 )	( 19 )	( 576,980 )	( 18 )
6900	Operating income	306,426	9	348,999	11
	Non-operating income and expenses (Note 20 and 27)				
7100	Interest income	2,832	-	475	-
7010	Other income	48,040	2	36,127	1
7020	Other gains and losses	70,948	2	( 15,198 )	-
7050	Finance costs	( 30,444 )	( 1 )	( 15,636 )	( 1 )
7070	Share of profit of investment in subsidiaries, associates and joint ventures accounted for using equity method	223,177	6	172,550	5
7000	Total non-operating income and expenses	314,553	9	178,318	5

(to be continued)



(continued)

Code		2022		2021	
		Amount	%	Amount	%
7900	Profit before tax	\$ 620,979	18	\$ 527,317	16
7950	Income tax expense (Note 21)	( <u>60,427</u> )	( <u>2</u> )	( <u>48,881</u> )	( <u>1</u> )
8200	Net profit for the year	<u>560,552</u>	<u>16</u>	<u>478,436</u>	<u>15</u>
8310	Other comprehensive income Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plan	5,425	-	979	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	( 174,821 )	( 5 )	72,577	2
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	( 715,734 )	( 20 )	437,412	13
8349	Income tax relating to items that will not be reclassified	( 1,085 )	-	( 196 )	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange difference on translating foreign operations	<u>6,222</u>	<u>-</u>	( <u>3,256</u> )	<u>-</u>
8300	Other comprehensive income for the year, net of income tax	( <u>879,993</u> )	( <u>25</u> )	<u>507,516</u>	<u>15</u>
8500	Total comprehensive income for the year	( <u>\$ 319,441</u> )	( <u>9</u> )	<u>\$ 985,952</u>	<u>30</u>
	Earnings per share (Note 22)				
9750	Basic	<u>\$ 6.14</u>		<u>\$ 5.25</u>	
9850	Diluted	<u>\$ 6.08</u>		<u>\$ 5.22</u>	

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

(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)  
Actron Technology Corporation  
Statements of changes in equity  
For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

Code		Share capital	Capital surplus	Retained earnings		Exchange difference on translating foreign operations	Other equity		Total equity
				Legal reserve	Undistributed earnings		Unrealized gain (loss) of financial assets at fair value through other comprehensive income	Estimated employee compensation	
A1	Balance on January 1, 2021	\$ 914,830	\$ 1,813,037	\$ 631,133	\$ 1,194,811	( \$ 18,331 )	\$ 934,611	( \$ 6,832 )	\$ 5,463,259
	Appropriation of 2020 earnings								
B1	Legal reserve	-	-	28,151	( 28,151 )	-	-	-	-
B5	Cash dividends	-	-	-	( 210,411 )	-	-	-	( 210,411 )
C15	Cash dividends from capital surplus	-	( 64,038 )	-	-	-	-	-	( 64,038 )
C7	Changes in equity of investment in associates and joint ventures accounted for using equity method	-	( 12 )	-	-	-	-	-	( 12 )
N1	Share-based payment transactions	-	-	-	-	-	-	4,347	4,347
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	( 2,718 )	-	2,718	-	-
T1	Cancellation of restricted shares	( 260 )	( 1,837 )	-	-	-	-	797	( 1,300 )
D1	Net income for the year ended December 31, 2021	-	-	-	478,436	-	-	-	478,436
D3	Other comprehensive income for the year ended December 31, 2021	-	-	-	( 2,802 )	( 3,256 )	513,574	-	507,516
D5	Total comprehensive income for the year ended December 31, 2021	-	-	-	475,634	( 3,256 )	513,574	-	985,952
Z1	Balance on December 31, 2021	914,570	1,747,150	659,284	1,429,165	( 21,587 )	1,450,903	( 1,688 )	6,177,797
	Appropriation of 2021 earnings								
B1	Legal reserve	-	-	47,292	( 47,292 )	-	-	-	-
B5	Cash dividends	-	-	-	( 365,828 )	-	-	-	( 365,828 )
C7	Changes in equity of investment in associates and joint ventures accounted for using equity method	-	( 3,995 )	-	( 860 )	-	4,609	246	-
C17	Exercise of right of disgorgement	-	1,024	-	-	-	-	-	1,024
N1	Share-based payment transactions	-	4,032	-	-	-	-	1,122	5,154
T1	Cancellation of restricted shares	( 100 )	( 720 )	-	-	-	-	320	( 500 )
D1	Net income for the year ended December 31, 2022	-	-	-	560,552	-	-	-	560,552
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	14,421	6,222	( 900,636 )	-	( 879,993 )
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	574,973	6,222	( 900,636 )	-	( 319,441 )
Z1	Balance on December 31, 2022	<u>\$ 914,470</u>	<u>\$ 1,747,491</u>	<u>\$ 706,576</u>	<u>\$ 1,590,158</u>	( <u>\$ 15,365</u> )	<u>\$ 554,876</u>	<u>\$ -</u>	<u>\$ 5,498,206</u>

The accompanying notes are an integral part of the financial statements.  
(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu

## Actron Technology Corporation

## Statements of Cash Flows

For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

Code		2022	2021
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 620,979	\$ 527,317
A20010	Adjustments for:		
A20100	Depreciation expenses	258,280	206,117
A20200	Amortization expenses	6,411	6,700
A20300	Expected credit losses	1,316	609
A20900	Finance costs	30,444	15,636
A21200	Interest income	( 2,832 )	( 475 )
A21300	Dividend income	( 18,396 )	( 18,000 )
A21900	Compensation cost related to share-based payment	5,021	3,633
A22400	Share of profit of investment in subsidiaries, associates and joint ventures accounted for using equity method	( 223,177 )	( 172,550 )
A22500	Loss on disposal of property, plant and equipment	25,823	3,077
A23700	Impairment loss and obsolescence on inventory	1,467	4,347
A24100	Net loss (gain) on foreign currency exchange	( 4,417 )	50
A30000	Net changes in operating assets and liabilities		
A31150	Trade receivables	( 203,681 )	( 11,656 )
A31180	Other receivables	9,229	( 11,258 )
A31190	Other payables - related parties	18,489	( 16,764 )
A31200	Inventory	( 141,823 )	( 176,509 )
A31240	Other current assets	( 56,035 )	( 7,094 )
A31990	Other non-current assets	( 979 )	-
A32130	Notes payable	106	75
A32150	Trade payables	40,497	3,627
A32160	Trade payables to related parties	39,225	165,339
A32180	Other payables	45,213	64,067
A32240	Net defined benefit liabilities	-	( 958 )
A32230	Other current liabilities	<u>2,818</u>	<u>1,977</u>
A33000	Net cash generated from operating activities	453,978	587,307
A33100	Interest received	2,147	475
A33200	Dividend received	136,950	97,076
A33300	Interest paid	( 28,964 )	( 15,636 )
A33500	Income tax paid	( <u>46,960</u> )	( <u>19,176</u> )
AAAA	Net cash inflows from operating activities	<u>517,151</u>	<u>650,046</u>

(to be continued)

(continued)

Code		2022	2021
	Cash flows from investing activities		
B00010	Purchases of financial assets at fair value through other comprehensive income	( \$ 101,200 )	\$ -
B00050	Disposal of financial assets at amortized cost	2,507	87,909
B01800	Acquisition of investments accounted for using the equity method	( 737,299 )	-
B02700	Purchases of property, plant and equipment	( 317,308 )	( 393,169 )
B02800	Proceeds from disposal of property, plant and equipment	3,876	12,804
B03700	Increase in refundable deposits	-	( 145,673 )
B03800	Decrease in refundable deposits	39,541	-
B04500	Purchases of intangible assets	( 610 )	( 1,185 )
B07100	Increase in prepayments for equipment	( 124,195 )	( 750,951 )
B02000	Increase in prepayments for investments	( <u>171,385</u> )	-
BBBB	Net cash outflows from investing activities	( <u>1,406,073</u> )	( <u>1,190,265</u> )
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	350,000	500,000
C00500	Increase in short-term notes and bills payable	-	100,000
C00600	Decrease in short-term notes and bills payable	( 100,000 )	-
C01600	Proceeds from long-term borrowings	1,800,000	700,000
C01700	Repayments of long-term borrowings	( 1,280,000 )	( 531,099 )
C04020	Repayments of the principal portion of lease liabilities	( 544 )	( 1,266 )
C04500	Dividend payments	( 365,828 )	( 274,451 )
C09900	Exercise of right of disgorgement	1,024	-
C09900	Cancellation of restricted shares	( <u>500</u> )	( <u>1,300</u> )
CCCC	Net cash inflows from financing activities	<u>404,152</u>	<u>491,884</u>
EEEE	Decrease in cash and cash equivalents -net	( 484,770 )	( 48,335 )
E00100	Cash and cash equivalents at the beginning of the year	<u>926,247</u>	<u>974,582</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 441,477</u>	<u>\$ 926,247</u>

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

(With Deloitte & Touche Auditors' Report dated March 8, 2023)

Chairman: Dang-Liang Yao

Manager: Hsien-Chung Wu

Accountant: Mei-Ying Chiu

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**【Attachment 4】**

**Actron Technology Corporation**  
**“Rules for Election of Directors” Contents before and after Amendment in**  
**Comparison**

<b>Contents after Amendment</b>	<b>Contents before Amendment</b>	<b>Explanation</b>
Article 1 Unless otherwise provided in applicable laws and regulations or the Articles of Incorporation of the Company, the Rules specified herein shall govern the election of the Company's directors (Including independent directors).	Article 1 The independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.	Conform to the amendments to related regulations.
Article 2 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 2 Election of the independent and non-independent directors of this Company shall be held at the shareholders' meeting.	Conform to the amendments to related regulations.
Article 3 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 3 The election of directors shall adopt a disclosed cumulative voting method. Each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates. Those persons with the greatest numbers of ballots representing voting rights shall be elected as director in order of number of ballots received. Each voter will be identified by shareholder's numbers or his/her attendance card number as printed on his/her ballot.	Conform to the amendments to related regulations.
Article 4 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.	Article 4 This Company's directors (including Independent directors) shall be elected by adopting the candidate nomination system specified in Article 192-1 of the ROC Company Law, the adoption of such system shall be expressly stipulated in the Articles of Incorporation of the company; and the shareholders shall elect the directors from among the nominees listed in the roster of independent director candidates.	Conform to the amendments to related regulations.
Article 5 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 5 In the election of directors of this Company, independent directors and non-independent directors should be elected from the same election with the effective seats calculated specifically. Candidates who acquire more votes should individually win the seats of directors. The aforementioned number of votes cast in the election shall include the votes cast on-site in the shareholders' meeting and via electronic voting. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.	Conform to the amendments to related regulations.
Article 6 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform duties of vote monitoring , a number of persons with counting personnel.	Article 6 The Board of Directors shall prepare ballots and distribute one ballot to each shareholder identified by shareholder's numbers. Each ballot shall contain the votes that the voter is entitled to in the election.	The current Article 6 is deleted and the current Article 7 is revised to Article 6 .
Article 7 The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.	Article 8 The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.	Change items
	Article 9 Voters shall fill in the "candidate" column the candidate's name and shareholder's numbers (ID number or Company	Delete current Article 9

Contents after Amendment	Contents before Amendment	Explanation
	Tax ID). If the candidate is a legal entity, the full name of the legal entity, the name(s) of their representative(s), shareholder's numbers of the legal entity or Company Tax ID should be filled in the column.	
<p>Article 8</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1.The ballot was not prepared by a person with the right to convene.</li> <li>2.A blank ballot is placed in the ballot box.</li> <li>3.The writing is unclear and indecipherable or has been altered.</li> <li>4.The candidate whose name is entered in the ballot does not conform to the director candidate list.</li> <li>5.Other words or marks are entered in addition to the number of voting rights allotted.</li> </ol>	<p>Article 10</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1.Ballots not prepared by this Company;</li> <li>2.Blank ballots not completed by the voter;</li> <li>3.Ballots with Illegible writing;</li> <li>4.If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register.</li> <li>5.Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID numbers or Company Tax ID);</li> <li>6.The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers or Company Tax ID) not being indicated to distinguish them.</li> </ol>	Conform to the amendments to related regulations.
<p>Article 9</p> <p>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.</p> <p>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.</p>	<p>Article 11</p> <p>Upon completion of the balloting process, the shareholders' meeting chairperson shall announce on-the-spot counting and announcing the ballots. The superintendent(s) shall watch by the side. The results of the election should be announced by the Chairman or the master of ceremonies at the meeting.</p>	Changes in clauses and additional clauses
<p>Article 10</p> <p>The board of directors of this Corporation shall issue notifications to the persons elected as directors.</p>	<p>Article 12</p> <p>This Company shall issue notifications to the independent and non-independent directors elected.</p>	Changes in clauses and Conform to the amendments to related regulations.
	<p>Article 13</p> <p>Any matters insufficiently provided for herein shall be subject to the Company Law and other laws and ordinances concerned.</p>	Delete current Article 13
<p>Article 11</p> <p>These rules and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>Article 14</p> <p>These rules and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	Changes in clauses
<p>Article 12</p> <p>This Procedure was enacted on June 4, 2013.</p> <p>The 1st amendment was made on May 26, 2017.</p> <p>The 2nd amendment was made on May 24, 2024.</p>	<p>Article 15</p> <p>This Procedure was enacted on June 4, 2013.</p> <p>The 1st amendment was made on May 26, 2017.</p>	Added the date for the 2nd Amendment



## **Actron Technology Corporation Rules of Procedure for Shareholders' Meetings**

### **Article 1**

In order to establish a good governance system of the shareholders' meeting of the company, improve the supervisory function and strengthen the management function, these rules are formulated in accordance with Article 5 of the Corporate Social Responsibility Best Practice Principles for compliance.

### **Article 2**

These Rules of Procedure for the Company's shareholders meetings ; except as otherwise provided by law, regulation, or the Company's Articles of Incorporation, shareholders meetings shall proceed in accordance with these Rules.

### **Article 3**

Unless otherwise provided by law and regulation, the Company'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.

The Company 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, 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. The Company shall prepare electronic versions of the shareholders meeting Proposal 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, 15 days before the date of the special shareholders meeting, the Company shall also have prepared the shareholders meeting Proposal and supplemental meeting materials and made them available for review by shareholders at any time. The meeting Proposal and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

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.

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, Article 26-1 and Article 43-6 of the Securities Exchange Act, Article 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 Company 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 shareholders meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal in written 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 Proposal.

In addition, 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 Proposal. A shareholder may propose a recommendation for urging the Company 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 Proposal.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, 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 Proposal. 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, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article.

At the shareholders meeting, the Board of Directors shall explain reasons for exclusion of any shareholder proposals not included in the Proposal.

#### **Article 4**

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 five 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**

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting.

The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to 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**

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.

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.\

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 or supervisors, pre-printed ballots shall also be furnished.

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**

To convene a virtual shareholders meeting, this Corporation shall include the follow 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**

At the place of the Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the Chairman 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 Chairman may direct the proctors to escort the shareholder from the meeting.

#### **Article 8**

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 9**

If the Meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the Chairman, the vice Chairman shall act in place of the Chairman; if There is no vice Chairman or the vice Chairman also is on leave or for any reason unable to exercise the powers of the vice Chairman, the Chairman 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 Chairman does not make such a designation, the

managing directors or the directors shall select from among themselves one person to serve as chair.

When a director serves as the meeting chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company.

The same shall be true for the representative of a juristic person director that serves as chair. It is advisable that shareholders meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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.

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

#### **Article 10**

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. For each proposal (including extemporary motions and amendments to original proposals), it should be followed by a poll of the shareholders. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the meeting is convened by any person, other than the Board of Directors, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including extemporary motions) listed in the agenda are completed. If the chairman announces the adjournment of the meeting in violation of these Rules and Procedures, other members of the Board of Directors shall promptly assist the attending shareholders to elect, by a majority of votes represented by attending shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

The chairman must provide sufficient time for the explanation and discussion of all items on the agenda and amendments and extemporary motions submitted by shareholders; the chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting and the chairman should designate sufficient time for a vote.

#### **Article 11**

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**

Voting at a shareholders' meeting shall be based on number of shares. The shares of shareholders with no voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions.

If there is concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the meeting, that shareholder may not participate in voting, and may not represent another shareholder to exercise his or her voting rights.

The number of shares of those persons not permitted to exercise their voting rights in the foregoing paragraph shall not be included in counting the total number of voting shares for attending shareholders.

Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy voting rights of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights; if it does exceed 3%, the excess portion shall not be counted.

### **Article 13**

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

When 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; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

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 two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After 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**

If the election of directors is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director Election Regulations, and the results including the list of elected directors and the number of votes casted must be announced at the meeting.

The ballots cast in the election in the foregoing paragraph shall be sealed with the signatures of the monitoring personnel and must be given proper safekeeping and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

#### **Article 15**

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 any resolutions made by a shareholders' meeting are material information pursuant to applicable laws and regulations or the Taiwan Stock Exchange Corporation's regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

#### **Article 16**

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained 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 17**

During the meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set for the shareholders' meeting are completed, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

The shareholders may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Law.

#### **Article 18**

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 or supervisors. 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 19**

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**

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**

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**

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 and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.

## **Article 24**

The Rules and Procedures were enacted on July 23, 1999.

The 1st amendment was made on June 8, 2005.

The 2nd amendment was made on June 6, 2012.

The 3rd amendment was made on JUL 28, 2021.

The 4th amendment was made on May 27, 2022.

## **Actron Technology Corporation Articles of Incorporation**

### **Chapter 1 : General Principles**

#### **Article 1**

The Company is incorporated as a company limited by shares in accordance with the Company Act (the "Company Act") and its full name in Chinese language is 朋程科技股份有限公司, and Actron Technology Corporation in English language. (Hereinafter the "Company").

#### **Article 2**

The business scope of the Company is as follows:

1. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. F401030 Manufacture export
5. F401010 International Trade
6. CC01080 Electronic Parts and Components Manufacturing

All business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### **Article 2-1**

The Company may act as a guarantor as required by its business operation.

#### **Article 3**

The Company is headquartered in Taoyuan City, Taiwan and when necessary may establish branches at home and abroad as resolved by the board of directors. The Company may act as a guarantor and may invest in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40 percent of paid-in capital set out in Article 13 of the Company Act.

#### **Article 4**

Public notices by the Company shall be made in accordance with Article 28 of the Company Act.

### **Chapter 2: Shares**

#### **Article 5**

The total capital of the Company is three billion New Taiwan Dollars (NT\$3,000,000,000) divided into three hundred million (300,000,000) shares, at ten New Taiwan Dollars per share and may be issued in a series of issuance. The un-issued shares may be issued by a resolution of the Board of Directors if the Board deems necessary. Among the total capital stock indicated in the first paragraph, the amount of shares 6,000,000 should be reserved for issuing options for stock, preferred stock, or corporate bond. The quota of aforesaid options for stock, preferred stock, or corporate bond shall be adjusted by the Board of Directors' resolutions contingent on the capital market's condition and managerial demand. In the event that the Company intends to transfer to employees the bought-back shares at the price lower than

the actual average buying-back price, or in the event that the Company intends to issue employee warrants whose exercise price is

lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

#### **Article 6**

For the shares to be issued to the Company, the Company may be exempted from printing any share certificate for the shares issued. For the shares to be issued in accordance with the provision of the preceding paragraph, the issuing company shall appoint a centralized securities custody enterprise/ institution to make recordation of the issue of such shares.

Unless otherwise provided by applicable law and regulations, the shareholders services shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

#### **Article 7**

All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders' meeting, or for 30 days prior to an extraordinary shareholders' meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

### **Chapter 3: Shareholders' Meeting**

#### **Article 8**

Shareholders' meetings shall be of two types, ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the relevant laws, whenever necessary.

#### **Article 9**

A shareholder who is unavailable to attend the shareholders' meeting may duly present a power of attorney with the form provided by the Company, bearing the scope of the authorized powers to authorize a proxy to attend on-behalf. The power of attorney shall be duly used in accordance with applicable laws and ordinances and the rules promulgated by the competent authority.

#### **Article 10**

The Company's shareholders are entitled to one voting right per share, provided that shareholders have no voting right for shares held under Article 179 of the Company Act.

#### **Article 11**

Except otherwise provided by the laws and regulations, a resolution of the shareholders' meeting shall be adopted by the majority of the votes represented by the attending shareholders who hold the majority of the Company's issued shares. The directors of this Corporation may exercise their voting rights by electronic means of communication; directors exercising their voting rights by electronic means of communication shall be regarded as attending in person; related matters shall be handled in accordance with laws and regulations.

## **Chapter 4: Directors and the Board**

### **Article 12**

The Company has seven to eleven directors, elected in the shareholders' meeting from the candidate of disposing capacity, with three-year tenure of office and eligible for reelection. With a resolution passed at a Board meeting, the Company may take out liability insurance for its Directors against the compensation liabilities incurred while they are in office. 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.

#### **Article 12-1**

The aforementioned number of directors shall include a minimum of three independent directors (including a minimum of one independent director in the expertise of accounting or finance), and the number of independent directors shall not be less than the minimum of one-fifth of the total number of director seats. Directors (including Independent directors) are elected in a candidate nomination system. The shareholders' meeting shall elect the right independent directors out of the list of candidates. Matters regarding independent directors' professional qualification requirements, shareholding, restriction on concurrent post, recognition of independence, methods of nomination and election, and other matters to be complied with shall be duly handled in accordance with the requirements promulgated by the competent authority in charge of securities affairs.

The Company duly establishes the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Law which shall be duly organized by independent directors in full.

### **Article 13**

The Board of Directors is duly organized by directors. By attendance of two thirds of directors and a majority of votes of attending directors, one chairman shall be duly elected. The chairman shall chair the shareholders' meeting and Board of Directors meeting internally and represent the Company externally. In the same manner, one vice chairman shall be elected.

### **Article 14**

In case the chairman is on leave of absence, or cannot exercise his powers and authority, the vice chairman shall act in lieu of him. The vice chairman is on leave of absence, or cannot exercise his powers and authority. An acting chairman shall be designated in accordance with Article 208 of the Company Act.

#### **Article 14-1**

Unless otherwise provided for in the Company Act, decisions in the Board of Directors meeting shall be resolved by a majority of votes in the meeting where attending directors represent a majority of the total number of directors. A director who is unavailable to attend the board of directors meeting may be represented by another director per Article 205 of the Company Act. Organization, authority of office, rules and procedures of meetings and other matters to be complied with of the Company's Audit Committee shall be in conformity with the requirements of the competent authority.

The Board of Directors of the Company may establish other committees whose sizes as well as terms of service and authorities of the members shall be specified in individual committees' organization bylaws and approved by the Board of Directors.

## **Article 15**

The Board is authorized to determine the remuneration for Directors based on the degree of their involvement in the Company's operation and value of contribution, and whose income shall not exceed the salary range of the Company. If the director of the Company holds any position in the Company, in addition to the remuneration distributed pursuant to Article hereof, monthly payment of salary based on the standard of general managers may also be granted.

## **Chapter 5: Management**

### **Article 16**

The Company may have one chairman, one chief executive officer, one vice executive officer, one president and consultants, BG general managers, and a number of vice presidents and managers according to the resolution of the Board of Directors. Appointment, removal, and remuneration of the chief executive officer, vice executive officer, president and vice presidents shall be handled in accordance with Article 29 of the Company Act.

## **Chapter 6: Accounting**

### **Article 17**

After the end of each fiscal year, the Board of Directors shall prepare the following statements and reports and submit them to the ordinary shareholders' meeting for ratification: (1) Business report; (2) Financial report; and (3) Proposals for allocation of profits or compensating losses.

### **Article 18**

When it is determined that the Company has profit for a fiscal year, the Company shall appropriate the employees' and directors' remuneration according to the following sequence. But, in the case that the Company still has retained losses, the Company should appropriate sufficient amount for making up the losses of previous year and then appropriate according to the following sequence. In this article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

1. At least 5% of the profit shall be allocated as the remuneration of employees, which may be paid in cash or in the form of shares. Where the employee bonus is distributed in the form of shares, qualified employees of the subordinate companies may be included. The qualification shall be determined by the board of directors.
2. At most 3% of the profit shall be allocated as directors' remuneration. In this article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

The report of the employees' remuneration and directors' remuneration shall be submitted to the shareholders' meeting.

The company assigns employees to remunerate, issuance of employee restricted stocks, issuance of new shares because of the exercise of current stock options, capital increase by issuing new shares, the transfer of purchasing shares. Though the qualification requirements of both the parent and subsidiary company's employees are formulated from specific requirements decided by the board of directors.

### **Article 19**

If the Company has surplus earnings at the end of a fiscal year, after paying all relevant taxes, making up Company's accumulated losses, the Company shall first set aside 10 percent of said earnings as legal reserve. However, if the legal surplus reserve has reached the total paid-in capital, it is exempted from further appropriation, and then set aside the special reserve in accordance with the requirements under the laws and regulations. The remainder shall include the retained profits from the previous years, and the Board of Directors should propose the dividends distribution and determined by shareholders' meeting.

The company shall authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The board of directors shall make a proposed the dividends distribution to allot the remaining balance in accordance with the Company's earnings, with capital needs and tax payment, and effect to shareholders consideration. In order to keep sustainable development for the Company and continuous growth on earnings per share, dividend for shareholders shall be no less than 50% of the net profit after income tax under the circumstance. The distribution may be executed in cash dividend and/or share dividend, and the cash dividend shall be no less than 50% of the total distributed dividends.

#### **Article 19-1**

The Company appropriated as special capital reserve in accordance with the law, and the under-reported amount of "the net increase in the investment property fair value accumulated in the previous period" and the "net decrease in the other equity interest accumulated in the previous period" should be determined from the previous period before the profit distribution. Unappropriated retained earnings shall be listed as special capital reserve of the same amount. If there is still a shortage, items other than the current after-tax net profit plus the current after-tax net profit shall be included in the amount appropriated as special capital reserve of the current period of Unappropriated retained earnings.

#### **Article 19-2**

Pursuant to Article 241 of the Company Act, distribute its legal reserve and the following capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash; when distributing in cash, a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors is required; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is made by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution before distributing.

### **Chapter 7: Supplementary Regulations**

#### **Article 20**

Any matters insufficiently provided for in the Articles of Incorporation shall be subject to the Company Act.

#### **Article 21**

The Articles were duly stipulated on November 9, 1998.



The Articles were duly amended on March 18, 1999 as the 1st amendment.  
The Articles were duly amended on July 23, 1999 as the 2nd amendment.  
The Articles were duly amended on May 10, 2000 as the 3rd amendment.  
The Articles were duly amended on May 3, 2001 as the 4th amendment.  
The Articles were duly amended on June 7, 2002 as the 5th amendment.  
The Articles were duly amended on June 14, 2003 as the 6th amendment.  
The Articles were duly amended on June 25, 2004 as the 7th amendment.  
The Articles were duly amended on June 8, 2005 as the 8th amendment.  
The Articles were duly amended on October 14, 2005 as the 9th amendment.  
The Articles were duly amended on June 14, 2006 as the 10th amendment.  
The Articles were duly amended on June 22, 2007 as the 11th amendment.  
The Articles were duly amended on May 27, 2008 as the 12th amendment.  
The Articles were duly amended on June 4, 2010 as the 13th amendment.  
The Articles were duly amended on June 6, 2012 as the 14th amendment.  
The Articles were duly amended on June 4, 2013 as the 15th amendment.  
The Articles were duly amended on June 2, 2015 as the 16th amendment.  
The Articles were duly amended on June 3, 2016 as the 17th amendment.  
The Articles were duly amended on May 26, 2017 as the 18th amendment.  
The Articles were duly amended on May 29, 2019 as the 19th amendment.  
The Articles were duly amended on May 27, 2022 as the 20th amendment.

**Actron Technology Corporation.  
Rules for Election of Directors**

**Article 1**

The independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.

**Article 2**

Election of the independent and non-independent directors of this Company shall be held at the shareholders' meeting.

**Article 3**

The election of directors shall adopt a disclosed cumulative voting method. Each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates. Those persons with the greatest numbers of ballots representing voting rights shall be elected as director in order of number of ballots received.

Each voter will be identified by shareholder's numbers or his/her attendance card number as printed on his/her ballot.

**Article 4**

This Company's directors (including Independent directors) shall be elected by adopting the candidate nomination system specified in Article 192-1 of the ROC Company Law, the adoption of such system shall be expressly stipulated in the Articles of Incorporation of the company; and the shareholders shall elect the directors from among the nominees listed in the roster of independent director candidates.

**Article 5**

In the election of directors of this Company, independent directors and non-independent directors should be elected from the same election with the effective seats calculated specifically. Candidates who acquire more votes should individually win the seats of directors.

The aforementioned number of votes cast in the election shall include the votes cast on-site in the shareholders' meeting and via electronic voting. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

**Article 6**

The Board of Directors shall prepare ballots and distribute one ballot to each shareholder identified by shareholder's numbers. Each ballot shall contain the votes that the voter is entitled to in the election.

## **Article 7**

At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots. The persons to check the ballots.

## **Article 8**

The ballot box used for voting shall be prepared by the Board of Directors and checked in public by the person to check the ballots before voting.

## **Article 9**

Voters shall fill in the "candidate" column the candidate's name and shareholder's numbers (ID number or Company Tax ID). If the candidate is a legal entity, the full name of the legal entity, the name(s) of their representative(s), shareholder's numbers of the legal entity or Company Tax ID should be filled in the column.

## **Article 10**

Ballots shall be deemed void under the following conditions: 1. Ballots not prepared by this Company; 2. Blank ballots not completed by the voter; 3. Ballots with Illegible writing; 4. If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. 5. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID numbers or Company Tax ID); 6. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers or Company Tax ID) not being indicated to distinguish them.

## **Article 11**

Upon completion of the balloting process, the shareholders' meeting chairperson shall announce on-the-spot counting and announcing the ballots. The superintendent(s) shall watch by the side. The results of the election should be announced by the Chairman or the master of ceremonies at the meeting.

## **Article 12**

This Company shall issue notifications to the independent and non-independent directors elected.

## **Article 13**

Any matters insufficiently provided for herein shall be subject to the Company Law and other laws and ordinances concerned.

## **Article 14**

These rules and any revision thereof shall become effective after approval at the shareholders' meeting.

## **Article 15**

This Procedure was enacted on June 4, 2013.

The 1st amendment was made on May 26, 2017.

**【Appendix 4】**

**Actron Technology Corporation  
The Share-holding Table of Directors**

Mar 26, 2024

Position	Name	Number of shares held on the date when transfer is suspended
Chairman	Tan-Liang Yao	350,144
Director	Ming-Kuang Lu	4,880,000
Director	Representative of Sino-American Silicon Products Inc.: Hsiu-lan Hsu	24,935,299
Director	Representative of Sino-American Silicon Products Inc.: Hau Fang	24,935,299
Director	Representative of Hsuhsin Investment CORP.: Su-Mei Yang	2,130,000
Director	George Wu	282,158
Independent Director	Chung-Hsien Liu	0
Independent Director	Shu-Mei- Chang	0
Independent Director	Jeng-Ywan Jeng	0
Independent Director	Chang,Chun-Chun	0
	The total of all directors	32,577,601

1. Note 1: Total shares issued as of 3/26/2024: 101,447,480,common shares.
2. Note 2: As ATC has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for directors and supervisors do not apply.