



**Tainergy Tech. Co., Ltd.**

**2024 Annual General Meeting**

**Meeting Agenda Handbook**

**Date: May 28, 2024 Tue. 9:00AM**

**Location: Tao Garden Hotel , 2F No.151, Fuxing Road,  
Taoyuan District, Taoyuan City Taiwan (R.O.C.).**

**Convention method: physical**

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**Tainergy Tech. Co., Ltd.**  
**2024 Annual Shareholders' Meeting Procedure**

1. Call to order
2. Statement by the chairperson
3. Reports
4. Ratifications
5. Discussions
6. Extempore motions
7. Adjournment

**Tainergy Tech. Co., Ltd.**  
**2024 Annual Shareholders' Meeting Agenda**

**Time: May 28, 2024 Tue. 9:00AM**

**Location: Tao Garden Hotel , 2F No.151, Fuxing Road, Taoyuan District,  
Taoyuan City Taiwan (R.O.C.).**

**Convention method: Physical**

**1. Call to order**

**2. Statement by the chairperson**

**3. Reports**

- (1) 2023 business report.
- (2) 2023 Audit Committee's review report.
- (3) Report on the Enforcement of Privately placed common shares Cases in 2023.
- (4) Report on Employee Compensation and Director Remuneration Distribution for the Year 2023.
- (5) Report on Director Compensation Received in 2023.

**4. Ratifications**

- (1) The Company's 2023 Business Report and Financial Statements.
- (2) 2023 loss make-up proposal Discussions

**5. Discussions**

The issuance of new shares through capital increase will be conducted via private placement.

**6. Extempore motions**

**7. Adjournment**

# Reports

## Item 1:

Motion: The 2023 Business Report is hereby presented for review.

Descriptions: For the 2023 Business Report, see Attachment 1 on p.10 of this Handbook.

## Item 2:

Motion: The 2023 Audit Committee's Audit Report is hereby presented for review.

Descriptions: For the 2023 Audit Committee's Audit Report, see Attachment 2 on p. 12 of this Handbook.

## Item 3:

Motion: Report on implementation of the 2023 motion for private offering of common shares.

Descriptions:

1. In order for the Company to repay bank loans, increase its working capital and meet other capital needs for future development, the annual general meeting on June 27, 2023 approved the proposal to issue common shares by private offering for capital increase in cash. The number of shares to be issued will not exceed 50,000,000, and the shares are expected to be issued in three tranches within one year from the date of approval by resolution.
2. Since the aforesaid resolution was adopted by the 2023 annual general meeting, the Company has not issued any common shares by private offering. On March 6, 2024, the Board of Directors adopted a resolution to cancel the issuance of unissued shares.

## Item 4:

Motion: Report on distribution of the remuneration for employees and directors in 2023.

Descriptions:

1. According to Article 27 of the "Articles of Incorporation", 5%–15% of the Company's annual net profits before tax, if any, shall be appropriated as employee remuneration, and 1%–3% of the said profits shall be appropriated as directors' remuneration.
2. The 2023 annual pre-tax loss (NTD 28,576,923) resulting in accumulated losses. Therefore, no remuneration will be distributed to employees and directors.

## Item 5:

Motion: Report on Director Compensation Received in 2023.

Descriptions: 1. The remuneration policy, system, standards, and structure

for the general directors and independent directors of the Company, as well as the correlation between the duties, risks, time commitments, and the remuneration amounts, are outlined as follows:

The Company has established the "Director Remuneration Distribution Regulations" to govern the remuneration amounts for directors' executive duties. Individual directors are assessed based on their level of involvement in the Company's operations and their contributions, as well as the risks they undertake (such as providing endorsement guarantees for the Company), and reference is made to industry norms to provide assessment recommendations. These assessment recommendations are subject to approval by the Compensation Committee and subsequent approval by the Board of Directors.

According to the Company's articles of association, if the annual financial statements show a profit, the Board of Directors shall decide to allocate 1% to 3% as director remuneration. This allocation can be distributed in the form of stocks or cash. The distribution of director remuneration shall be reported to the shareholders' meeting and requires a resolution passed by at least two-thirds of the directors present at the meeting and the affirmative vote of a majority of the attending directors.

2. please refer to Attachment 4 of this Handbook on page 36.

# Ratifications

## Item 1:

(Submitted by the Board of Directors)

Motion: The 2023 Business Report and financial statements are hereby submitted for ratification.

Descriptions: 1. The Company's 2023 financial statements (including consolidated financial statements) were audited by Li-Huang Li and Jui-Chuan Chih, the accountants of Deloitte Taiwan, and an audit report was issued by them. The abovementioned financial statements, consolidated financial statements and the Business Report have been submitted to the Audit Committee for review and record.

2. For the Business Report, see Attachments 1 on p. 13 of this Handbook. For the Accountant's Audit Report and the abovementioned financial statements, see Attachment 3 on p. 13-35 of this Handbook.

3. This proposal is hereby submitted for ratification.

Resolution:

**Item 2:****(Submitted by the Board of Directors)**

**Motion:** The motion for compensation for the losses of 2023 is hereby submitted for ratification.

**Descriptions:**

1. The loss to be covered for the year was (NT\$28,576,923). After taking into account beginning of the period unabsorbed losses (NT\$399,502,093) and the remeasurement of defined benefit plans (NT\$111,718), it was resolved to offset the loss with capital surplus for the current year, amounting to (NT\$428,190,734). Therefore, end of the period unabsorbed losses to zero.
2. Since the accumulation is a loss, the statutory surplus reserve is not listed in accordance with the law, and no dividends are distributed.

**Tainergy Tech. Co., Ltd.**  
**Statement of Compensation for the Losses of 2023**

Unit: NTD

Item	Amount	Remarks
Losses requiring compensation at the beginning of the period	(399,502,093)	
+: Current net loss after tax	(28,576,923)	
+: Remeasurement of defined benefit plans	(111,718)	
<b>Total current losses requiring compensation</b>	<b>(428,190,734)</b>	
Compensation for losses with legal reserves	0	
Compensation for losses with special reserves	0	
Compensation for losses with capital reserves	428,190,734	
<b>Losses requiring compensation at the end of the period</b>	<b>0</b>	

Chairman:  
CHING-FU HSIEH

Manager:  
YI-KUANG CHEN

Accounting Manager:  
HSIU-CHEN YU

**Resolution:**



# Discussions

## (Submitted by the Board of Directors)

Motion: The motion to issue new shares by private offering for capital increase in cash is hereby submitted for discussion.

- Descriptions :
1. In order for the Company to repay bank loans, increase its working capital and meet other capital needs for future development to ensure its long-term management and development, it is proposed that a maximum of 50,000,000 common shares be issued via private offering and that the annual shareholders' meeting authorize the Board of Directors to issue such shares depending on market conditions and the Company's actual needs in accordance with the methods of capital raising and principles as set out below.
  2. In accordance with Article 43-6 of the Securities and Exchange Act and the provisions of the "Directions for Public Companies Conducting Private Placements of Securities", the following instructions are required:
    - (1) The basis for and reasonableness of setting the price of common shares offered privately:
      - A. The price of the common shares in the private placement shall be determined at no less than 80% of the higher of the following two bases prior to the date of the Company's pricing.
        - a. The share price equaling the simple arithmetic mean of the closing price(s) of common shares for the one, three or five business day(s) prior to the pricing date minus the stock and cash dividends distributed for bonus shares and plus the stock dividends for capital reduction.
        - b. The share price equaling the simple arithmetic mean of the closing prices of common shares for the thirty business days prior to the pricing date minus the stock and cash dividends distributed for bonus shares and plus the stock dividends for capital reduction.
      - B. The Board of Directors shall be authorized to determine an actual issue price not lower than the percentage approved by the shareholders' meeting depending on the subsequent conditions of the specified persons and the market. The price of the privately offered shares should be reasonable as it is determined in accordance with the laws and regulations promulgated by the competent authority and take into account the three-year restriction on the transfer of privately offered securities, the operating performance of the Company, the future outlook and the market price of

common shares.

- C. If the price determined for subscription has subsequently become lower than the par value due to market factors, such price should be reasonable as it is in accordance with the price required by law and reflects the conditions of the market price. Where such price has caused an increase in accumulated losses and affected shareholders' equity, it will be addressed subsequently through capital reduction, earnings, compensation for losses with capital reserves or any other legal method depending on the operations of the Company and market conditions.

(2) Selection of specified persons:

The current common shares offered privately shall be issued only to the specified persons selected in accordance with the requirements under Article 43-6 of the Securities and Exchange Act and the related letters of order.

- A. Method and purpose of selection of subscribers: A subscriber must have a good understanding of the Company's operations and be beneficial for the Company's future operations, or must be a director and a related party of the Company.
- B. Necessity: To build a healthy financial structure for the Company and strengthen its ability to repay debts, the introduction of capital from the following subscribers can improve the Company's overall financial health.
- C. Expected benefits: The participation of subscribers will be able to reduce the huge capital costs, improve the Company's financial structure and lower operating risks.
- D. The following is a list of related parties or insiders likely to subscribe to the current common shares offered privately:

Subscriber	Method of purpose of selection	Relationship with the Company
KENMEC MECHANICAL ENGINEERING CO., LTD.	A corporate director of the Company.	Insider

Corporate subscriber	Top-10 shareholders	Shareholding percentage	Relationship with the Company
KENMEC MECHANICAL	The representative of Wei Xin Investment Co., Ltd.	8.03%	Related party
	CHING-FU HSIEH	5.72%	Insider

ENGINEERING CO., LTD.	The representative of Mega City Investment Co., Ltd.	5.22%	Related party
	YUEH-CHEN LIN	4.10%	None
	HSBC Bank acts as custodian for the Morgan Stanley International Limited account.	2.97%	None
	CHOU-HUANG PAI	2.52%	None
	Shun-Cheng Investment Co., Ltd.	1.86%	Related party
	JPMorgan Securities (Taiwan) Limited acts as custodian for the Citibank investment account.	0.97%	None
	SHU-HUI HUANG	0.93%	None
	HSBC (Taiwan) Commercial Bank, Limited acts as trustee and custodian for the Pennsylvania Public School Employees' Retirement System investment account.	0.91%	None

Note: The sources of the information above are the 2022 annual reports of the abovementioned companies.

- E. Subscribers shall be strategic investors, limited to those that can improve the technology, business or key components needed by the Company. Related matters on specific subscribers shall be submitted to the shareholders' meeting to authorize the Board of directors for determination.
  - F. Aside from the likely subscribers above, there are currently no other subscribers with whom negotiation has been completed.
- (3) Necessary reasons, limit, capital usage and expected benefits of private offering:
- A. Reasons for non-public offering:  
Considering the current market conditions and in order to ensure the timeliness and feasibility of capital raising, it is proposed that capital increase be done by private offering to acquire the necessary capital within the shortest time.
  - B. Limit, capital usage and expected benefits of private offering:  
The Board of Directors will be authorized to issue, in three tranches, a maximum of 50,000,000 common shares at a par value of NTD 10 per share within one year from the date of approval by the shareholders' meeting. Usage of capital from each tranche of privately offered shares: The capital raised from the three tranches will all be used to repay bank loans, increase working capital and meet other capital needs for

future development.

Expected benefits of each tranche: The three tranches are all expected to effectively reduce capital costs, enhance the competitiveness of the Company and improve the operating performance.

3. Rights and obligations of the current common shares offered privately:

The rights and obligations of the current common shares offered privately are the same as those of the common shares already issued by the Company. Within three years from the date of delivery, such shares may not be transferred except under any of the circumstances in Article 43-8 of the Securities and Exchange Act. Upon expiration of the three-year period from the date of delivery, the Board of Directors will be authorized to apply to the Taiwan Stock Exchange Corporation for issuance of a letter of approval for the criteria of public listing and to complete the process of and apply for public listing with the Financial Supervisory Commission.

4. With respect to the terms of issue, plan items, schedule of capital usage, expected benefits and other matters not provided for the current common shares offered privately, it is proposed that the annual general meeting grant full authority to the Board of Directors over any change thereof by the competent authority or based on operational assessment or as a result of the objective environment.
5. This proposal is hereby submitted for discussion.

Resolution:

## **Extempore Motions**

## **Adjournment**

## Tainergy Tech. Co., Ltd.

### Business Report

Our company was incorporated in May 2007 and is engaged in the R&D, design, manufacture and sales of solar cells, modules and related systems. In recent years, the industry has faced a number of challenges including: U.S. Section 201, China's June 1 New Deal, India's defensive tariff, and the lifting of minimum import price (MIP) on China for European solar products, resulting in a sharp decline in the overall supply chain prices. The Company's revenue and profitability were significantly impacted as a consequence. The Company has adjusted its capacity utilization and taken orders in a strictly selective way, working tirelessly to meet customers' needs. The consolidated revenue of 2023 was NTD 2,145,122 thousand yuan. The operating performance of 2023 is summarized as follows:

#### 1. Business plan and implementation

Unit: NTD thousand

Item	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Operating revenue	2,145,122	100	2,221,436	100	(76,313)	(3)
Operating gross profit	250,910	12	159,859	7	91,051	57
Operating profit (loss)	(285,812)	(13)	(246,699)	(11)	(39,113)	16
Net profit (loss) before tax	(190,536)	(9)	(36,751)	(2)	(153,785)	418

#### 2. Status of budget implementation

The Company was not required to disclose its financial forecast in 2023.

#### 3. Revenues, expenses, and profitability analysis

Unit: NTD thousand

Unit: NTD thousand

Item			2023	2022	% of increase (decrease)
Revenues and expenses	Operating revenue		2,145,122	2,221,436	(3)
	Operating gross profit		250,910	159,859	57
	Net profit (loss) before tax		(190,536)	(36,751)	418
Profitability	Return on assets (%)		(5.68)	(0.49)	1,048
	Return on equity (%)		(7.93)	(1.71)	364
	Ratio to paid-up capital (%)	Operating profit	(12.70)	(10.96)	16
		Net income before tax	(8.47)	(1.63)	418
	Net profit margin (%)		(8.87)	(1.65)	437
	EPS (NTD)		(0.13)	0.49	(126)

#### 4. Performance in research and development

##### (1) Technological level of the Company's business

At the beginning of its operations, the Company introduced high-quality, advanced and high-capacity equipment from abroad for automated manufacturing of solar cells. With the R&D manager's rich experience, a sound management system and process

development, the Company seeks to achieve the best yield rate and conversion efficiency in the shortest period of time, reduce production costs and maximize production capacity. The Company has set up an R&D lab, introduced advanced processes, and actively shared information, technologies and experience with domestic and foreign industrial or academic organizations. The Company has also participated in government-subsidized technology projects to build partnership with the expectation to keep up with the state-of-the-art, high-efficiency solar process technologies worldwide.

(2) Research and development

The following is a list of development projects for important technologies of the Company:

Technology project	Project details
Optimization of process technologies	01. High light-absorbing surface structure 02. Optimization of metal conductors 03. Introduction of distributed electrodes
New product development	01. Addition of ultra-thin passivation layer 02. High-resistance conductive layer 03. Metal through-cell
Application of new materials	01. Development of additives for silicon wafer surface area 02. Introduction of high-contact conductive silver paste 03. Introduction of new backside layout

In light of the above, the Company's expert team will help the management obtain key technologies and understand the direction of their development, while also actively seeking cooperation with well-known domestic and foreign research institutions in development to ensure sustainable business management. Looking forward, the competitiveness of a company lies in continued innovation, research and development. In the future, the Company will continue to engage in the R&D of prospective technologies and innovation applications, research on mass production and systematic management in order to strengthen the leading position of the Company in core competitiveness. Creating continuous profits for shareholders is the goal that the Company strives to achieve.

Person in charge:  
CHING-FU HSIEH

Manager:  
YI-KUANG CHEN

Accounting Manager:  
HSIU-CHEN YU

Attachment 2

**Tainergy Tech. Co., Ltd.**  
**Audit Committee's Audit Report**

The Board of Directors prepared and submitted the 2023 separate and consolidated financial statements of the Company, which were audited by Deloitte Taiwan as commissioned by the Board of Directors, with an audit report issued thereafter.

The separate financial statements, consolidated financial statements stated above, alongside business report and the motion for loss allocation have been audited by the Audit Committee and no discrepancy with relevant regulations, such as the Company Act, has been found. We have presented you the reports based on the provisions stipulated in Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

for further examination.

To  
2024 Annual Shareholders' Meeting of Tainergy Tech. Co., Ltd.

Convener of the Audit Committee: FU-LING YEH

March 22, 2024

## Attachment 3

### **Independent Auditors' Report**

To: Tainergy Tech. Co., Ltd.

#### **Audit Opinions**

We audited the parent company only balance sheet of Tainergy Tech. Co. Ltd., as of December 31, 2023 and 2022, the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only statement of cash flow for the period from January 1 to December 31, 2023 and 2022, and the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, the said parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the parent company only financial positions of Tainergy Tech. Co. Ltd. as of December 31, 2023 and 2022, and the parent company only financial performance and cash flows for the periods from January 1 to December 31, 2023 and 2022.

#### **Basis of Audit Opinions**

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 such standards are further described in the "CPA's responsibility for the audit of the parent company only financial statements" section in this report. We were independent of Tainergy Tech. Co., Ltd. in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all the other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent company only financial statements of Tainergy Tech Co., Ltd. for the year of 2023. Such matters were addressed during the overall audit of the parent company only financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately regarding such matters.

The key audit matters in the audit of the parent company only financial statements of Tainergy Tech Co., Ltd. for the year of 2023 are as follows:

### The verification of the revenue from shipment to certain customers

Tainergy Tech. Co., Ltd. mainly engages in the research, design, manufacturing and sales of solar cells, panels and related systems. In 2023, the operating revenue recognized was NTD 2,135,636 thousand. Since we presumed that revenue recognition was a significant risk based on the materiality principle and the Statements on Auditing Standards, we considered that the occurrence of the sales revenue from certain customers recognized by Tainergy Tech. Co., Ltd. was significant to the financial statements. Therefore, the verification of the shipment with respect to the revenue from certain customers was listed as the key audit matter of the year. Please refer to Note 4 (13) for the description of revenue recognition policies.

We performed the following main audit procedures:

1. We knew and tested the design and implementation of the internal control related to the recognition of revenue from certain customers.
2. We carried out population sampling for the revenue statements of the said certain customers, reviewed relevant supporting documents, and examined the collection of payments to confirm the occurrence of sales transactions.
3. We reviewed any material sales returns and discounts occurring after the balance sheet date to make sure whether there was any material misstatement of the sales revenue from the certain customers.

## **Responsibilities of the Management and Governing Bodies for Parent Company Only Financial Statements**

The management was responsible for preparation of the parent company only financial reports with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the parent company only financial statements to ensure that the parent company only financial statements were free of material misstatement due to fraud or error.

During preparation of the separate financial statements, the management was also responsible for evaluating Tainergy Tech Co. Ltd.'s ability as a going concern, disclosure of relevant matters, and application of the going concern basis of accounting unless the management intended to make Tainergy Tech Co. Ltd. enter into liquidation or terminate its operations, or there were no other actual or feasible solutions other than liquidation or termination of its operations.

Tainergy Tech Co. Ltd.'s governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

### **Responsibilities of the Accountants for the Audit of the Parent Company Only Financial Statements**

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance about whether the parent company only financial statements were free of material misstatements due to fraud or error, with an audit report issued thereafter. Reasonable assurance is a high-level 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. The misstatements might be due to fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the parent company only financial statements, the misstatement was deemed as material.

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

1. We identified and assessed the risk of any misstatement in the parent company only financial statements due to fraud or error, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. Fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, and we did not find that the risk of material misstatement due to fraud was higher than the same due to error.
2. We understood the internal control related to the audit to the extent necessary to design audit procedures appropriate for the current circumstances. However, the purpose of such work was not to express opinions regarding the effectiveness of Tainergy Tech Co. Ltd.'s internal control.

3. We evaluated the appropriateness of the accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosure made by management.
4. We drew a conclusion about the appropriateness of the application of the going concern basis of accounting by the management and whether the event or circumstances which might cause major doubts about Tainergy Tech Co. Ltd.'s ability as a going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstances, we must provide a reminder in the parent company only audit report for the users of the parent company only financial statements to pay attention to the relevant disclosure therein, or amend our audit opinions when such disclosure is inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where Tainergy Tech Co. Ltd. would no longer have its ability as a going concern.
5. We evaluated the overall presentation, structure, and contents of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements presented the relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence for the financial information of the entities forming Tainergy Tech Co. Ltd. to provide opinions regarding the parent company only financial statements. We were responsible for instruction, supervision and implementation of the audit cases, as well as formation of the audit opinions on Tainergy Tech Co. Ltd.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of the internal control identified during the audit).

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause an impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Tainergy Tech Co. Ltd.'s parent company only financial statements in 2023 based on the matters communicated with the governance unit. We specified such matters in the separate audit report except when public disclosure of certain matters was prohibited by related laws or regulations, or when, in very exceptional circumstances, we determined not to cover such matters in the separate audit report as we could reasonably expect that the negative impact of the coverage would be greater than the public interest brought thereby.

Deloitte & Touche Taiwan

CPA LI-HUANG LI

CPA JUI-CHUAN CHIH

Approval No. from the Securities and  
Futures Commission

Tai-Cai-Zheng-Liu-Zi No. 0930128050

Approval No. from the Financial Supervisory  
Commission

Jin-Guan-Zheng-Shen-Zi No. 1060023872

March 22, 2024

Tainergy Tech. Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6 and 30)	\$ 440,090	19	\$ 417,520	16
1136	Financial assets measured at amortized cost – current (Notes 4, 8, 9, 30, and 32)	1,535	-	-	-
1172	Net accounts receivables – non-related parties (Notes 4, 10, 24 and 30)	22,546	1	2,969	-
1180	Accounts receivable – related parties (Notes 4, 10, 24, 30 and 31)	7,468	1	-	-
1200	Other receivables (Notes 4, 10 and 30)	2,542	-	168	-
1210	Other receivables – related parties (Notes 4, 10, 30 and 31)	218,530	9	70,639	3
1220	Current income tax assets (Notes 4 and 26)	2,356	-	496	-
130X	Inventory (Notes 4 and 11)	41,366	2	367,929	14
1421	Prepayments (Notes 17, 31 and 33)	2,302	-	41,317	1
1460	Non-current assets held for sale (Notes 4 and 12)	-	-	8,322	-
1470	Other current assets (Notes 17, 30 and 32)	5,197	-	4,617	-
11XX	Total current assets	<u>743,932</u>	<u>32</u>	<u>913,977</u>	<u>34</u>
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income – non-current (Notes 4, 7 and 30)	42,685	2	42,685	2
1535	Financial assets measured at amortized cost – non-current (Notes 4, 8, 9, 30, and 32)	100	-	100	-
1550	Investment under the equity method (Notes 4, 13, 31 and 34)	1,441,963	61	1,592,790	60
1600	Property, plants and equipment (Notes 4, 14, 31 and 32)	99,406	4	106,971	4
1755	Right-of-use assets (Notes 4, 15 and 31)	8,478	-	11,184	-
1780	Other intangible assets (Notes 4 and 16)	272	-	432	-
1920	Guarantee deposits paid (Notes 17, 32 and 33)	11,054	1	11,056	-
15XX	Total non-current assets	<u>1,603,958</u>	<u>68</u>	<u>1,765,218</u>	<u>66</u>
1XXX	Total assets	<u>\$ 2,347,890</u>	<u>100</u>	<u>\$ 2,679,195</u>	<u>100</u>
Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Notes 4, 18 and 30)	\$ 30,000	1	\$ 5,000	-
2130	Contract liabilities – current (Notes 4, 20 and 24)	4,320	-	109,716	4
2170	Accounts payable – non-related parties (Notes 19 and 30)	15,028	1	95,527	4
2180	Accounts payable – related parties (Note 19, 30 and 31)	26,339	1	114,767	5
2200	Other payables (Notes 20 and 30)	34,258	2	18,516	1
2220	Other payables – related parties (Notes 20, 30 and 31)	2,503	-	5,005	-
2280	Lease liabilities – current (Notes 4, 15, 30 and 31)	2,742	-	2,676	-
2320	Long-term loans maturing within one year (Notes 4, 18, 30, 32 and 33)	17,673	1	30,441	1
2399	Other current liabilities (Note 20)	5,163	-	6,788	-
21XX	Total current liabilities	<u>138,026</u>	<u>6</u>	<u>388,436</u>	<u>15</u>
	Non-current liabilities				
2540	Long-term loans (Notes 4, 18, 30, 32 and 33)	76,964	4	100,927	4
2550	Liability reserve – non-current (Notes 4 and 21)	2,014	-	2,063	-
2580	Lease liabilities – non-current (Notes 4, 15, 30 and 31)	6,084	-	8,826	-
2640	Net defined benefit liabilities – non-current (Notes 4, 22 and 25)	5,972	-	5,858	-
2670	Other non-current liabilities (Notes 20, 30 and 31)	6,500	-	-	-
25XX	Total non-current liabilities	<u>97,534</u>	<u>4</u>	<u>117,674</u>	<u>4</u>
2XXX	Total liabilities	<u>235,560</u>	<u>10</u>	<u>506,110</u>	<u>19</u>
	Equity (Notes 13 and 23)				
3100	Common stock capital	<u>2,250,000</u>	<u>96</u>	<u>2,250,000</u>	<u>84</u>
3200	Capital reserves	<u>771,118</u>	<u>33</u>	<u>771,118</u>	<u>29</u>
	Retained earnings				
3350	Losses to be compensated	( 428,191 )	( 18 )	( 399,502 )	( 15 )
	Other equity				
3410	Exchange differences on translation of financial statements of foreign operations	( 459,855 )	( 20 )	( 427,789 )	( 16 )
3420	Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	( 20,742 )	( 1 )	( 20,742 )	( 1 )
3400	Total of other equity	( 480,597 )	( 21 )	( 448,531 )	( 17 )
3XXX	Total equity	<u>2,112,330</u>	<u>90</u>	<u>2,173,085</u>	<u>81</u>
	Total liabilities and equity	<u>\$ 2,347,890</u>	<u>100</u>	<u>\$ 2,679,195</u>	<u>100</u>

The attached notes are part of the parent company only financial reports.

Chairman: CHING-FU HSIEH

Manager: I-KUANG CHEN

Accounting Manager: HSIU-CHEN YU

Tainergy Tech. Co., Ltd.

Parent Company Only Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousand; however  
earnings (loss) per share is in NTD

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 24 and 31)				
4100	Net sales revenue	\$ 2,135,636	100	\$ 2,216,660	100
	Operating costs				
5110	Cost of sales (Notes 4, 11, 17, 25 and 31)	( 1,955,060 )	( 92 )	( 2,222,684 )	( 100 )
5900	Operating gross profit (loss)	180,576	8	( 6,024 )	-
5910	Unrealized gain on sales	( 1,285 )	-	-	-
5950	Realized operating gross profit	179,291	8	( 6,024 )	-
	Operating expenses (Notes 10, 22 and 25)				
6100	Marketing expense	( 11,506 )	-	( 10,291 )	( 1 )
6200	Administrative expense	( 82,137 )	( 4 )	( 63,754 )	( 3 )
6300	R&D expense	( 306 )	-	( 16 )	-
6000	Total operating expenses	( 93,949 )	( 4 )	( 74,061 )	( 4 )
6900	Operating profit (loss) – net	85,342	4	( 80,085 )	( 4 )
	Non-operating revenue and expenses (Notes 10, 13, 25 and 31)				
7100	Interest income	20,649	1	4,937	-
7010	Other revenue	4,014	-	19	-
7020	Other profits and losses	13,590	1	18,386	1
7050	Financial costs	( \$ 3,473 )	-	( \$ 4,617 )	-
7070	Share of profit/loss of subsidiaries, associates and joint ventures under the equity method	( 148,699 )	( 7 )	171,390	8
7000	Total non-operating revenue and expenses	( 113,919 )	( 5 )	190,115	9

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Code		2023		2022	
		Amount	%	Amount	%
7900	Current net (loss) profit before tax of continuing operations	( 28,577 )	( 1 )	110,030	5
7950	Income tax expense (Notes 4 and 26)	-	-	-	-
8200	Current net (loss) profit of continuing operations	( 28,577 )	( 1 )	110,030	5
	Other comprehensive income (Notes 4, 22, 23, 26 and 30)				
8310	Titles not reclassified as profit or loss:				
8311	Re-measurement of the defined benefits plan (Notes 4, 22 and 26)	( 112 )	-	708	-
8316	Unrealized valuation profit/loss on investment in equity instruments measured at fair value through other comprehensive income (Notes 4, 7, 23 and 30)	-	-	22,027	1
8360	Titles likely to be reclassified as profit or loss subsequently:				
8361	Exchange differences on translation of financial statements of foreign operations (Notes 4 and 23)	( 32,066 )	( 2 )	32,940	1
8300	Total other (net) comprehensive income	( 32,178 )	( 2 )	55,675	2
8500	Total comprehensive income for the period	( \$ 60,755 )	( 3 )	\$ 165,705	7

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Code		2023		2022	
		Amount	%	Amount	%
	Earnings (losses) per share (Note 27)				
	From continuing operations				
9710	Basic	( \$ 0.13 )		\$ 0.49	
9810	Diluted	( \$ 0.13 )		\$ 0.49	

The attached notes are part of the parent company only financial reports.

Chairman: CHING-FU HSIEH    Manager: I-KUANG CHEN    Accounting Manager: HSIU-CHEN YU



Tainergy Tech. Co., Ltd.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Code		Share capital		Capital reserves	Retained earnings	Other equity		Total equity
		Number of shares (thousand shares)	Amount			Exchange differences on translation of financial statements of foreign operations	Unrealized profit (loss) from the financial assets measured at fair value through other comprehensive income	
A1	Balance on January 1, 2022	225,000	\$ 2,250,000	\$ 1,290,999	( \$ 1,353,516)	( \$ 460,729)	( \$ 42,769)	\$ 1,683,985
	Other changes in capital reserves:							
C11	Capital reserves for offsetting losses	-	-	( 843,276)	843,276	-	-	-
M7	Changes in ownership interests in subsidiaries	-	-	323,395	-	-	-	323,395
D1	Net profit in 2022	-	-	-	110,030	-	-	110,030
D3	Other comprehensive income after tax in 2022	-	-	-	708	32,940	22,027	55,675
D5	Total comprehensive income in 2022	-	-	-	110,738	32,940	22,027	165,705
Z1	Balance on December 31, 2022	225,000	2,250,000	771,118	( 399,502)	( 427,789)	( 20,742)	2,173,085
D1	Net loss in 2023	-	-	-	( 28,577)	-	-	( 28,577)
D3	Other comprehensive income after tax in 2023	-	-	-	( 112)	( 32,066)	-	( 32,178)
D5	Total comprehensive income in 2023	-	-	-	( 28,689)	( 32,066)	-	( 60,755)
Z1	Balance on December 31, 2023	<u>225,000</u>	<u>\$ 2,250,000</u>	<u>\$ 771,118</u>	<u>( \$ 428,191)</u>	<u>( \$ 459,855)</u>	<u>( \$ 20,742)</u>	<u>\$ 2,112,330</u>

The attached notes are part of the parent company only financial reports.

Chairman: CHING-FU HSIEH

Manager: I-KUANG CHEN

Accounting Manager: HSIU-CHEN YU

Tainergy Tech. Co., Ltd.  
Parent Company Only Statement of Cash Flow  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit (loss) before tax of continuing operations	( \$ 28,577 )	\$ 110,030
A20010	Profit and expense/loss:		
A20100	Depreciation expenses	11,066	14,381
A20200	Amortization expenses	688	781
A20300	Expected credit impairment loss (gain on reversal)	198	( 657 )
A20400	Net gains from financial assets and liabilities at fair value through profit or loss	( 412 )	( 119 )
A20900	Financial costs	3,473	4,617
A21200	Interest income	( 20,649 )	( 4,937 )
A21300	Dividend income	( 2,294 )	-
A22400	Share of (profit) loss of subsidiaries, associates and joint ventures under the equity method	148,699	( 171,390 )
A22500	Profit on disposal of property, plants and equipment	( 7,161 )	( 7,242 )
A22900	Profit on lease modification	-	( 310 )
A23000	Gains on disposal of non-current assets held for sale	( 2,228 )	-
A23800	Profit on reversal of impairment loss from non-financial assets	( 10,237 )	( 2,039 )
A23800	Gain on price recovery of inventory	( 3,363 )	( 7,990 )
A23900	Unrealized profits from subsidiaries, associates and joint ventures	1,285	-
A29900	Realized gains on procurement for subsidiaries	( 67 )	( 118 )
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	412	119
A31130	Notes receivable	-	3,109
A31150	Accounts receivable	( 19,775 )	65,005
A31160	Accounts receivable – related parties	( 7,468 )	-
A31180	Other receivables	( 1,725 )	110
A31190	Other receivables – related parties	3,224	7,167
A31200	Inventory	329,926	( 66,784 )
A31230	Prepayments	49,252	( 36,204 )
A32125	Contract liabilities	( 105,396 )	56,269
A32150	Accounts payable	( 80,499 )	21,393
A32160	Accounts payable – related parties	( 88,428 )	56,330
A32180	Other payables	15,570	( 2,412 )

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Code		2023	2022
A32190	Other payables – related parties	( \$ 2,502 )	( \$ 15,253 )
A32200	Liability reserve	( 49 )	( 215 )
A32230	Other current liabilities	( 1,625 )	743
A32240	Accrued pension liabilities	<u>2</u>	( <u>8</u> )
A33000	Cash generated from operations	181,340	24,376
A33100	Interest received	18,885	4,753
A33300	Interest paid	( 3,246 )	( 4,048 )
A33500	(Payment) Income tax returned	( <u>1,860</u> )	<u>337</u>
AAAA	Net cash inflow from operating activities	<u>195,119</u>	<u>25,418</u>
Cash flows from investing activities			
B00400	Acquisition of financial assets measured at amortized cost	( 1,535 )	-
B00050	Disposal of financial assets measured at amortized cost	-	10,000
B01800	Acquisition of investment under the equity method	( 24,000 )	-
B02600	Disposal of non-current assets held for sale	10,550	-
B02700	Purchase of property, plants and equipment	( 606 )	( 5,991 )
B02800	Disposal of property, plants and equipment	5	2,901
B03800	Decrease in guarantee deposits paid	2	8,956
B04300	Other receivables – increase in related parties	( 150,000 )	( 65,000 )
B04500	Purchase of intangible assets	( 528 )	-
B06600	Decrease (increase) of other financial assets	( 580 )	3,208
B07600	Dividends received	<u>2,294</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	( <u>164,398</u> )	( <u>45,926</u> )
Cash flows from financing activities			
C00100	Increase in short-term loans	25,000	5,000
C01700	Repayment of long-term loans	( 36,731 )	( 47,029 )
C03000	Receipt of guarantee deposits received	6,500	-
C04020	Repayment of the principal of lease liabilities	( <u>2,920</u> )	( <u>5,989</u> )
CCCC	Net cash outflow from financing activities	( <u>8,151</u> )	( <u>48,018</u> )
EEEE	Net increase (decrease) in cash and cash equivalents for the period	22,570	( 68,526 )
E00100	Balance of cash and cash equivalents – beginning of the year	<u>417,520</u>	<u>486,046</u>
E00200	Balance of cash and cash equivalents – ending of the year	<u>\$ 440,090</u>	<u>\$ 417,520</u>

The attached notes are part of the parent company only financial reports.

Chairman: CHING-FU HSIEH    Manager: I-KUANG CHEN    Accounting Manager: HSIU-CHEN YU

## **Independent Auditors' Report**

To: Tainergy Tech. Co., Ltd.

### **Audit Opinions**

We audited the consolidated balance sheets of Tainergy Tech. Co. Ltd., and its subsidiaries (Tainergy Group) as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the periods from January 1 to December 31, 2023 and 2022, and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the said consolidated financial reports were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the consolidated financial positions of the Tainergy Group as of December 31, 2023 and 2022, and the consolidated financial performance and cash flows for the periods from January 1 to December 31, 2023 and 2022.

### **Basis of Audit Opinions**

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 such standards are further described in the “CPA’s responsibility for the audit of the consolidated financial statements” section in this report. We were independent of Tainergy Group in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all the other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of Tainergy Group for the year of 2022. Such matters were addressed during the overall audit of the consolidated financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately regarding such matters.

The key audit matters for Tainergy Tech Co. Ltd. and subsidiaries' (Tainergy Group) consolidated financial statements in 2023 are described as follows:

The verification of the revenue from shipment to certain customers

Tainergy Tech. Co., Ltd. and its subsidiaries mainly engage in the research, design, manufacturing and sales of solar cells, panels and related systems. Since we presumed that revenue recognition was a significant risk based on the materiality principle and the Statements on Auditing Standards, we considered that the occurrence of the sales revenue from parts of certain customers recognized by the Tainergy Tech. Co., Ltd. and its subsidiaries was significant to the financial statements. Therefore, the verification of the shipment with respect to the revenue from parts of the certain customers was listed as the key audit matter of the year. For the description of revenue recognition policies, see Note 4 (15).

We performed the following main audit procedures:

1. We knew and tested the design and implementation of the internal control related to the recognition of revenue from parts of certain customers.
2. We carried out population sampling for the revenue statements of the said parts of certain customers, reviewed relevant supporting documents, and examined the collection of payments to confirm the occurrence of sales transactions.
3. We reviewed any material sales returns and discounts occurring after the balance sheet date to make sure whether there was any material misstatement of the sales revenue from the parts of certain customers.

Property, plant and equipment impairment

As of December 31, 2023, the carrying value of Tainergy Group's property, plant and equipment was NTD 773,347 thousand, accounting for 24.14% of total assets, which was significant. For accounting policies and related disclosures on asset impairment assessment, please refer to Notes 4, 5 and 16 on the consolidated financial report.

- **TAISIC MATERIALS CO.**

As Tainergy Group's subsidiary TAISIC MATERIALS CO. invests in the field of silicon carbide in 2023, the revenue is yet significantly shown, resulting in idle production capacity. Management expects that the future economic benefits of property, plant and equipment will be reduced, resulting in its recoverable amount of property, plant and equipment being less than the carrying amount. Therefore, the Tainergy Group recognized an impairment loss of NTD 43,718 thousand in 2022.

Management evaluated the recoverable amount of the property, plant and equipment impairment mentioned above based on the model of fair value less cost to sell, while referring to the adoption of the opinions in the expert's report as the basis. As the method and key assumption parameters used in the evaluation of the expert's valuation report have a high degree of professional judgment, the evaluation of property, plant and equipment impairment is listed as a key audit item.

Our principal audit procedures for the above description include:

1. To understand the management's assessment of the impairment process and approval procedures for property, plant and equipment.
  2. We evaluated the professional experience, suitability and independence of the independent valuation experts appointed by management and verified the qualifications of the independent valuation experts. We also adopted our financial advisors to assist in the evaluation of the appropriateness of the methods and assumptions used by the independent valuation experts in the evaluation of fair value.
  3. We have used our financial advisors to assist in sampling parameters and historic information or external information used by the independent valuation experts to ensure the reasonableness of the valuation parameters used.
- VIETENERGY COMPANY LIMITED

In 2023, due to the rapid change of market demand for solar energy and technology, management expects that some of the property, plant and equipment of VIETENERGY COMPANY LIMITED, subsidiary of Tainergy Group, may not be economically viable in the future due to the upgrade of product specifications, and the related equipment is expected to be scrapped. Therefore, Tainergy Group recognized an impairment loss of NTD 104,022 thousand in 2023.

Our assessment of the amount of the aforementioned loss of scrapping is a material matter, so the impairment loss of the property, plant and equipment is listed as a key audit matter.

Our principal audit procedures for the above description include:

1. To understand the management's assessment of the scrapping and approval procedures for property, plant and equipment.
2. To conduct on-site inspections on the use of property, plant and equipment that have been recognized for loss, and to assess whether the loss recognized is reasonable.

## **Other Matters**

For the parent company only financial statements prepared by Tainergy Tech. Co., Ltd. in 2023 and 2022, we had an independent auditors' report issued with an unqualified opinion for reference.

### **Responsibility of the management and governance unit for the consolidated financial statements**

Management was responsible for preparation of the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatement due to fraud or error.

During preparation of the consolidated financial statements, the management was also responsible for evaluating Tainergy Group's ability as a going concern, disclosure of relevant matters, and application of the going concern basis of accounting unless the management intended to make Tainergy Group enter into liquidation or terminate its operations, or there were no other actual or feasible solutions other than liquidation or termination of its operations.

Tainergy Group's governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

### **CPA's responsibility for the audit of the consolidated financial statements**

We audited the consolidated financial statements for the purpose of obtaining reasonable assurance about whether the consolidated financial statements were free of material misstatement due to fraud or error and issuing an audit report. Reasonable assurance is a high-level 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. The misstatements might be due to fraud or error. If the individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of the users of the consolidated financial statements, the misstatement was deemed material.

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

1. We identified and assessed the risk of any misstatement in the consolidated financial statements due to fraud or error, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. Fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, and we did not find that the risk of material misstatement due to fraud was higher than the same due to error.
2. We understood the internal control related to the audit to the extent necessary to design audit procedures appropriate for the current circumstances. However, the purpose of such work was not to express opinions regarding the effectiveness of Tainergy Group's internal control.
3. We evaluated the appropriateness of the accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosure made by management.
4. We drew a conclusion about the appropriateness of the application of the going concern basis of accounting by the management and whether the event or circumstances which might cause major doubts about Tainergy Group's ability as a going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the audit report for the users of the consolidated financial statements to pay attention to the relevant disclosures therein, or amend our audit opinions when such disclosures were inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where Tainergy Group would no longer have its ability as a going concern.
5. We evaluated the overall presentation, structure, and contents of the consolidated financial statements (including the relevant notes) and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence for the financial information of the entities forming the Group to provide opinions regarding the consolidated financial statements. We were responsible for instruction, supervision and conduct of the Group's audit cases, as well as the expression of the audit opinions for the Group.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of the internal control identified during the audit).



We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause an impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Tainergy Group consolidated financial statements in 2023 based on the matters communicated with the governance unit. We specified such matters in the audit report except when public disclosure of certain matters was prohibited by related laws or regulations, or when, in very exceptional circumstances, we determined not to cover such matters in the audit report as we could reasonably expect that the negative impact of the coverage would be greater than the public interest brought thereby.

Deloitte & Touche Taiwan

CPA LI-HUANG LI

CPA JUI-CHUAN CHIH

Approval No. from the Securities and  
Futures Commission  
Tai-Cai-Zheng-Liu-Zi No. 0930128050

Approval No. from the Financial Supervisory  
Commission  
Jin-Guan-Zheng-Shen-Zi No. 1060023872

March 22, 2024

Tainergy Tech Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6 and 35)	\$ 767,961	25	\$ 769,934	23
1110	Financial assets measured at fair value through profit or loss – current (Notes 4, 7 and 35)	106,471	4	238,473	7
1136	Financial assets measured at amortized cost – current (Notes 4, 9, 10, 35 and 37)	74,035	2	9,030	-
1172	Accounts receivable (Notes 4, 11, 27 and 35)	23,316	1	3,220	-
1200	Other receivables (Notes 4, 11 and 35)	9,872	-	6,784	-
1210	Other receivables – related parties (Notes 4, 11, 35 and 36)	389,885	13	176,466	5
1220	Current income tax assets (Notes 4 and 29)	2,575	-	611	-
130X	Inventory (Notes 4 and 12)	100,229	3	360,365	11
1421	Prepayments (Notes 12, 20, 36 and 38)	53,289	2	98,940	3
1460	Net amount of non-current assets (or disposal group) held for sale (Notes 4, 13 and 38)	-	-	12,186	-
1470	Other current assets (Notes 27, 35 and 37)	22,386	1	66,803	2
11XX	Total current assets	<u>1,550,019</u>	<u>51</u>	<u>1,742,812</u>	<u>51</u>
	Non-current assets				
1520	Financial assets measured at fair value through other comprehensive income – non-current (Notes 4, 8 and 35)	42,685	2	42,685	1
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9, 10, 35 and 37)	5,839	-	6,560	-
1550	Investment under the equity method (Notes 4, 14 and 15)	240,351	8	253,725	8
1600	Property, plants and equipment (Notes 4, 16, 36 and 37)	733,347	24	829,785	24
1755	Right-of-use assets (Notes 4, 17, 36 and 34)	128,395	4	166,370	5
1760	Net investment property (Notes 4, 18 and 37)	189,044	6	215,032	6
1780	Other intangible assets (Notes 4 and 19)	1,455	-	1,479	-
1915	Prepayment for equipment (Notes 20, 33 and 36)	111,304	4	119,402	4
1920	Guarantee deposits paid (Notes 20, 35, 37, and 38)	27,009	1	13,345	1
1990	Other non-current assets – others (Note 20)	9,000	-	12,000	-
15XX	Total non-current assets	<u>1,488,429</u>	<u>49</u>	<u>1,660,383</u>	<u>49</u>
1XXX	Total assets	<u>\$ 3,038,448</u>	<u>100</u>	<u>\$ 3,403,195</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Notes 21, 35, 37 and 38)	\$ 91,327	3	\$ 117,690	4
2120	Financial liabilities measured at fair value through profit or loss (Notes 4, 7 and 35)	11	-	-	-
2130	Contract liabilities – current (Notes 4 and 27)	4,840	-	109,868	3
2170	Accounts payable (Notes 22 and 35)	33,453	1	148,799	5
2200	Other payables (Notes 23 and 35)	195,235	7	170,693	5
2220	Other payables – related parties (Notes 23, 35 and 36)	139,139	5	4,423	-
2250	Liability reserve – current (Notes 4 and 24)	42	-	-	-
2280	Lease liabilities – current (Notes 4, 17, 35 and 36)	36,634	1	35,198	1
2310	Receipts in advance (Notes 23 and 38)	10,090	-	10,813	-
2313	Deferred income – current (Notes 4, 23 and 31)	12,174	-	10,036	-
2320	Long-term loans maturing within one year (Notes 21, 35, 37 and 38)	22,683	1	30,640	1
2399	Other current liabilities (Note 23)	5,298	-	8,080	-
21XX	Total current liabilities	<u>550,926</u>	<u>18</u>	<u>646,240</u>	<u>19</u>
	Non-current liabilities				
2540	Long-term loans (Notes 21, 35, 37 and 38)	91,751	3	110,728	3
2550	Liability reserve – non-current (Notes 4 and 24)	2,014	-	2,063	-
2570	Deferred income tax liabilities (Notes 4 and 29)	1,199	-	1,426	-
2580	Lease liabilities – non-current (Notes 4, 17, 35 and 36)	23,658	1	60,701	2
2630	Deferred income – non-current (Notes 4, 23 and 31)	58,665	2	61,759	2
2640	Net defined benefit liabilities – non-current (Notes 4 and 25)	5,972	-	5,858	-
2645	Guarantee deposits received (Notes 23, 35, 36, and 38)	13,577	1	7,208	-
25XX	Total non-current liabilities	<u>196,836</u>	<u>7</u>	<u>249,743</u>	<u>7</u>
2XXX	Total liabilities	<u>747,762</u>	<u>25</u>	<u>895,983</u>	<u>26</u>
	Equity attributable to the owner of the Company (Notes 4, 26, and 32)				
3110	Common stock capital	<u>2,250,000</u>	<u>74</u>	<u>2,250,000</u>	<u>66</u>
3200	Capital reserves	<u>771,118</u>	<u>25</u>	<u>771,118</u>	<u>23</u>
	Retained earnings				
3350	Losses to be compensated	( 428,191)	( 14)	( 399,502)	( 12)
	Other equity				
3410	Exchange differences on translation of financial statements of foreign operations	( 459,855)	( 15)	( 427,789)	( 12)
3420	Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	( 20,742)	( 1)	( 20,742)	( 1)
3400	Total of other equity	( 480,597)	( 16)	( 448,531)	( 13)
31XX	Total equity of the Company's owner	<u>2,112,330</u>	<u>69</u>	<u>2,173,085</u>	<u>64</u>
36XX	Non-controlling equity	<u>178,356</u>	<u>6</u>	<u>334,127</u>	<u>10</u>
3XXX	Total equity	<u>2,290,686</u>	<u>75</u>	<u>2,507,212</u>	<u>74</u>
	Total liabilities and equity	<u>\$ 3,038,448</u>	<u>100</u>	<u>\$ 3,403,195</u>	<u>100</u>

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH

Manager: I-KUANG CHEN

Accounting Manager: HSIU-CHEN YU

Tainergy Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand; however  
earnings (loss) per share is in NTD

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Notes 4 and 27)				
4100	Net sales revenue	\$ 2,145,122	100	\$ 2,221,436	100
	Operating costs				
5110	Cost of sales (Notes 4, 12, 20, 28 and 36)	( 1,894,212 )	( 88 )	( 2,061,577 )	( 93 )
5900	Operating gross profit	250,910	12	159,859	7
	Operating expenses (Notes 11, 28 and 36)				
6100	Marketing expense	( 16,382 )	( 1 )	( 13,636 )	( 1 )
6200	Administrative expense	( 179,673 )	( 8 )	( 162,441 )	( 7 )
6300	R&D expense	( 192,927 )	( 9 )	( 156,923 )	( 7 )
6000	Total operating expenses	( 388,982 )	( 18 )	( 333,000 )	( 15 )
6500	Statement of other Profits, Expenses, and Losses – Net (Notes 16 and 28)	( 147,740 )	( 7 )	( 73,558 )	( 3 )
6900	Operating loss – net	( 285,812 )	( 13 )	( 246,699 )	( 11 )
	Non-operating revenue and expenses (Notes 13, 15, 28, 31 and 36)				
7100	Interest income	32,875	1	14,844	-
7190	Other revenue	62,344	3	87,116	4
7020	Other profits and losses	18,225	1	156,422	7
7050	Financial costs	( 9,267 )	( 1 )	( 22,996 )	( 1 )
7060	Share of profit/loss of associates and joint ventures under equity method	( 8,901 )	-	( 25,438 )	( 1 )
7000	Total non-operating revenue and expenses	95,276	4	209,948	9
7900	Net loss before tax of continuing operations	( \$ 190,536 )	( 9 )	( \$ 36,751 )	( 2 )
7950	Income tax profit (Notes 4 and 29)	188	-	16	-
8200	Current net loss	( 190,348 )	( 9 )	( 36,735 )	( 2 )

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Code		2023		2022	
		Amount	%	Amount	%
8310	Other comprehensive income				
	Titles not reclassified as profit or loss:				
8311	Re-measurement of the defined benefits plan (Notes 4 and 25)	( 112 )	-	708	-
8316	Unrealized valuation profit/loss on investment in equity instruments measured at fair value through other comprehensive income (Notes 4 and 26)	-	-	22,027	1
8360	Titles likely to be reclassified as profit or loss subsequently:				
8361	Exchange differences on translation of financial statements of foreign operations (Notes 4 and 26)	( 32,066 )	( 1 )	32,940	2
8300	Other comprehensive income (net after tax) for the year	( 32,178 )	( 1 )	55,675	3
8500	Total comprehensive income for the year	( \$ 222,526 )	( 10 )	\$ 18,940	1
	Net loss attributable to:				
8610	The owner of the Company	( \$ 28,577 )	( 1 )	\$ 110,030	5
8620	Non-controlling equity	( 161,771 )	( 8 )	( 146,765 )	( 7 )
8600		( \$ 190,348 )	( 9 )	( \$ 36,735 )	( 2 )
	Total comprehensive income attributable to:				
8710	The owner of the Company	( \$ 60,755 )	( 3 )	\$ 165,705	8
8720	Non-controlling equity	( 161,771 )	( 7 )	( 146,765 )	( 7 )
8700		( \$ 222,526 )	( 10 )	\$ 18,940	1
	Earnings (losses) per share (Note 30)				
	From continuing operations				
9710	Basic	( \$ 0.13 )		\$ 0.49	
9810	Diluted	( \$ 0.13 )		\$ 0.49	

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH    Manager: I-KUANG CHEN    Accounting Manager: HSIU-CHEN YU

Tainergy Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		Equity attributable to the owner of the Company							
		Share capital		Capital reserves	Retained earnings	Other equity		Non-controlling equity	Total equity
Code		Number of shares (thousand shares)	Amount		Losses to be compensated	Exchange differences on translation of financial statements of foreign operations	Unrealized profit (loss) from the financial assets measured at fair value through other comprehensive income		
A1	Balance after restatement on January 1, 2022	225,000	\$ 2,250,000	\$ 1,290,999	( \$ 1,353,516 )	( \$ 460,729 )	( \$ 42,769 )	\$ 104,287	\$ 1,788,272
C11	Other changes in capital reserves:								
M7	Capital reserves for offsetting losses	-	-	( 843,276 )	843,276	-	-	-	-
	Changes in ownership interest in subsidiaries (Note 32)	-	-	323,395	-	-	-	( 323,395 )	-
D1	Net profit (loss) in 2022	-	-	-	110,030	-	-	( 146,765 )	( 36,735 )
D3	Other comprehensive income after tax in 2022	-	-	-	708	32,940	22,027	-	55,675
D5	Total comprehensive income in 2022	-	-	-	110,738	32,940	22,027	( 146,765 )	18,940
O1	Increase/decrease in non-controlling interests – cash capital increase by subsidiaries	-	-	-	-	-	-	700,000	700,000
Z1	Balance on December 31, 2022	225,000	2,250,000	771,118	( 399,502 )	( 427,789 )	( 20,742 )	334,127	2,507,212
D1	Net loss in 2023	-	-	-	( 28,577 )	-	-	( 161,771 )	( 190,348 )
D3	Other comprehensive income after tax in 2023	-	-	-	( 112 )	( 32,066 )	-	-	( 32,178 )
D5	Total comprehensive income in 2023	-	-	-	( 28,689 )	( 32,066 )	-	( 161,771 )	( 222,526 )
O1	Increase/decrease in non-controlling interests – cash capital increase by subsidiaries	-	-	-	-	-	-	6,000	6,000
Z1	Balance on December 31, 2023	225,000	\$ 2,250,000	\$ 771,118	( \$ 428,191 )	( \$ 459,855 )	( \$ 20,742 )	\$ 178,356	\$ 2,290,686

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH

Manager: I-KUANG CHEN

Accounting Manager: HSIU-CHEN YU

Tainergy Tech Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flow

January 1 to December 31, 2023 and 2022

		Unit: NTD thousand	
Code		2023	2022
	Cash flow from operating activities		
A10000	Current net loss before tax	( \$ 190,536 )	( \$ 36,751 )
A20010	Profit and expense/loss:		
A20100	Depreciation expenses	260,286	244,734
A20200	Amortization expenses	1,114	2,850
A20300	Expected credit impairment (reversal gain)	213	( 668 )
A20400	Net gains from financial assets and liabilities at fair value through profit or loss	( 4,664 )	( 2,645 )
A20900	Financial costs	9,267	22,996
A21200	Interest income	( 32,875 )	( 14,844 )
A21300	Dividend income	( 2,294 )	-
A22300	Share of loss of associates and joint ventures under equity method	8,901	25,438
A22500	Profit on disposal of property, plants and equipment	( 46 )	( 147,386 )
A22900	Profit on lease modification	-	( 311 )
A23000	Gains on disposal of non-current assets held for sale	( 2,221 )	-
A23700	Loss on inventory devaluation and obsolescence	24,325	1,611
A23700	Impairment loss from non-financial assets	147,740	77,793
A23800	Profit on reversal of impairment loss from non-financial assets	( 10,237 )	( 2,039 )
A29900	Reversal of deferred income	( 17,332 )	( 46,306 )
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	136,677	5,481
A31130	Notes receivable	-	3,109
A31150	Accounts receivable	( 20,308 )	65,443
A31180	Other receivables	( 1,041 )	( 3,226 )
A31190	Other receivables – related parties	-	12
A31200	Inventory	236,316	( 17,696 )
A31230	Prepayments	55,888	( 24,721 )
A31240	Other current assets	40,148	( 40,148 )
A31990	Other non-current assets	3,000	( 12,000 )
A32125	Contract liabilities	( 105,028 )	56,421

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Code		2023	2022
A32180	Other payables	( \$ 5,286 )	( \$ 15,922 )
A32190	Other payables – related parties	554	( 1,539 )
A32200	Liability reserve	( 7 )	( 215 )
A32210	Receipts in advance	( 723 )	5,425
A32230	Other current liabilities	( 2,782 )	1,088
A32240	Net defined benefit liabilities	2	( 8 )
A32250	Deferred income	<u>17,478</u>	<u>10,036</u>
A33000	Cash inflow from operations	431,183	178,370
A33100	Interest received	27,407	14,113
A33300	Interest paid	( 5,841 )	( 20,864 )
A33500	Income tax refunded (from payment)	( <u>1,964</u> )	<u>222</u>
AAAA	Net cash inflow from operating activities	<u>450,785</u>	<u>171,841</u>
Cash flows from investing activities			
B00040	Acquisition of financial assets measured at amortized cost	( 64,284 )	-
B00050	Disposal of financial assets measured at amortized cost	-	9,413
B02600	Proceeds from disposal of non-current assets held for sale	14,407	-
B02700	Acquisition of property, plants, and equipment	( 151,505 )	( 93,304 )
B02800	Proceeds from disposal of property, plant and equipment	46	2,481
B03800	Decrease (increase) in refundable deposits	( 13,664 )	8,827
B04300	Other receivables – increase in related parties	( 209,998 )	-
B04400	Other receivables – decrease in related parties	-	13,764
B04500	Acquisition of intangible assets	( 1,093 )	( 1,184 )
B06600	Decrease (increase) of other financial assets	4,269	( 16,320 )
B07100	Increase in prepayments for equipment	( 30,375 )	( 112,397 )
B07600	Dividends received	<u>2,294</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	( <u>449,903</u> )	( <u>188,720</u> )
Cash flows from financing activities			
C00200	Decrease in short-term loans	( 26,363 )	( 163,912 )
C01600	Borrowing of long-term loans	10,000	10,000
C01700	Repayment of long-term loans	( 36,934 )	( 196,463 )

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<u>Code</u>		<u>2023</u>	<u>2022</u>
EEEE	Net increase (decrease) in current cash and cash equivalents	( \$ 1,973 )	\$ 114,725
E00100	Balance of cash and cash equivalents – beginning of the year	<u>769,934</u>	<u>655,209</u>
E00200	Balance of cash and cash equivalents – ending of the year	<u>\$ 767,961</u>	<u>\$ 769,934</u>

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH    Manager: I-KUANG CHEN    Accounting Manager: HSIU-CHEN YU



**Tainergy Tech. Co., Ltd.**  
**Report on Director Compensation Received in 2023**

**Explanation:**

The compensation policy, system, standards, and structure for the company's non-executive directors and independent directors are determined based on factors such as their responsibilities, risks, time commitment, etc. The correlation between these factors and the compensation amounts is as follows:

The company has established the "Director Remuneration Disbursement Regulations" to regulate the remuneration for directors' executive duties. The calculation method is as follows:

**Type 1: Monthly Fixed Executive Compensation**

1. Independent directors receive a monthly payment of NT\$50,000 (including functional committee members who serve on the remuneration committee and receive an additional NT\$10,000).
2. Directors who endorse and guarantee for the company receive a monthly payment of NT\$50,000.
3. General directors receive a monthly payment of NT\$30,000.

**Type 2: Attendance Fees for Meetings**

1. Members of the remuneration committee, audit committee, key financial reporting matters meeting, and board of directors who attend meetings in person will receive a car and travel allowance of NT\$5,000 on the day of the meeting. If they attend the meeting by video conference, except for the chairman who receives NT\$5,000, the rest of the attendees will receive NT\$3,000.
2. Shareholders who attend the shareholders' meeting in person will receive a car and travel allowance of NT\$10,000.
3. For those who attend multiple meetings on the same day, they will only be reimbursed once.

**Type 3: Remuneration for Annual Profits**

1. In accordance with Article 27 of the company's bylaws.  
The distribution of remuneration for annual profits will primarily be based on the length of the directors' tenure, attendance at meetings, and contributions to the company (including but not limited to holding company shares and endorsing and guaranteeing for the company).

## Tainergy Tech. Co., Ltd.

The remuneration received by directors of the company in the fiscal year 2023 is as follows:

December 31, 2023; Unit: NTD thousand

Title	Name	Remuneration to directors								Sum of A, B, C, and D as Percentage of Net Income		Remuneration to Employees Holding Concurrent Positions								Sum of A, B, C, D, E, F and G as Percentage of Net Income		Remuneration from parent company or invested businesses other than subsidiaries
		Remuneration (A)		Retirement pension (B)		Remuneration from earnings distribution (C)		Business execution expenses (D)				Salaries, bonuses, special allowances, etc. (E)		Retirement pension (F)		Remuneration to employees (G)						
		The Company	All the companies included in the financial reports	The Company	All the companies included in the financial reports	The Company	All the companies included in the financial reports	The Company	All the companies included in the financial reports	The Company	All the companies included in the financial reports	The Company	All the companies included in the financial reports	The Company	All the companies included in the financial reports	The Company		All the companies included in the financial reports (Note 7)		The Company	All the companies included in the financial reports	
Amount of cash bonus	Amount of share bonus															Amount of cash bonus	Amount of share bonus					
Chairman	Representative of KENMEC MECHANICAL ENGINEERING CO., LTD.: CHING-FU HSIEH			—	—	—	—			(2.1871)	(2.1871)	6,510	—	—	—	—	—	—	(24.9676)	(24.9676)	44,107	
Director	Representative of KENMEC MECHANICAL ENGINEERING CO., LTD.: LI-CHUAN SHEN	360	360	—	—	—	—	30	30	(1.3647)	(1.3647)	—	—	—	—	—	—	—	(1.3647)	(1.3647)	17,205	
	MING-CHIH HSIEH	360	360	—	—	—	—			(1.3017)	(1.3017)	—	—	—	—	—	—	—	(1.3017)	(1.3017)	2,476	
	CHIEN-LIANG CHEN	360	360	—	—	—	—	30	30	(1.3647)	(1.3647)	—	—	—	—	—	—	—	(1.3647)	(1.3647)	—	
Independent director	YAO-JUNG KAN	600	600	—	—	—	—	30	30	(2.2046)	(2.2046)	—	—	—	—	—	—	—	(2.2046)	(2.2046)	-	
	CHIA-HSIANG WANG	600	600	—	—	—	—	24		(2.1836)	(2.1836)	—	—	—	—	—	—	—	(2.1836)	(2.1836)	-	
	FU-LING YEH	600	600	—	—	—	—			(2.1696)	(2.1696)	—	—	—	—	—	—	—	(2.1696)	(2.1696)	-	

## **Tainergy Tech. Co., Ltd. Articles of Incorporation**

### **Chapter 1. General Provisions**

- Article 1: The Company has been duly incorporated in accordance with the provisions of the Company Act governing companies limited by shares, under the name of “太極能源科技股份有限公司”, and its English name is “TAINERGY TECH CO., LTD.”.
- Article 2: The Company’s business scope shall include the following:
- I. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
  - II. CC01060 Wired Communication Mechanical Equipment Manufacturing
  - III. CC01070 Wireless Communication Mechanical Equipment Manufacturing
  - IV. CC01080 Electronics Components Manufacturing
  - V. CC01090 Manufacture of Batteries and Accumulators
  - VI. D401010 Thermal Energy Supply
  - VII. E604010 Machinery Installation
  - VIII. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
  - IX. F113010 Wholesale of Machinery
  - X. F113110 Wholesale of Machinery
  - XI. F213080 Retail Sale of Machinery and Tools
  - XII. F119010 Wholesale of Electronic Materials
  - XIII. F213110 Retail Sale of Batteries
  - XIV. F219010 Retail Sale of Electronic Materials
  - XV. F401010 International Trade
  - XVI. I501010 Product Designing
  - XVII. IG02010 Research and Development Service
  - XVIII. IG03010 Energy Technical Services
  - XIX. CA04010 Surface Treatments
  - XX. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may, based on its business needs, provide guarantees externally and make re-investments in other business enterprises. The total amount of such re-investments may exceed 40% of the paid-up capital of the Company
- Article 4: The Company’s headquarters shall be located in Taoyuan City, and branches may be established in appropriate locations domestically or abroad if necessary. The establishment and dissolution of any such branch shall be determined by the Board of Directors.

## Chapter 2. Shares

- Article 5: The total capital of the Company shall be NTD 5,000,000,000, divided into 500,000,000 shares at NTD 10 per share and issued in tranches. Of the said total capital, an amount of NTD 20,000,000 shall be retained and divided into 2,000,000 shares at NTD 10 per share for exercising stock options against stock option certificates, preferred stocks with stock options or corporate bonds with stock options.
- Article 6: The Company's shares are registered and are issued in accordance with the Company Act and other applicable laws and regulations. The shares issued by the Company are exempted from printing, provided that such shares are kept in custody by or registered with a securities depository body, and shall be handled in accordance with the requirements of such depository body. The Company shall manage its shares and related matters in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.
- Article 7: After the public listing of the Company, any proposed withdrawal of public offer of its shares shall be submitted to the shareholders' meeting for decision. This provision shall remain unchanged during the period in which the shares of the Company are listed as emerging stock and on TWSE/TPEX.
- Article 8: No change may be made to the shareholder register within 30 days before a regular shareholders' meeting is convened or 15 days before a special shareholders' meeting is convened; or within 60 days before a regular shareholders' meeting is convened or 30 days before a special shareholders' meeting is convened after the public listing of the Company; or within 5 days before the record date on which the Company has decided to distribute dividends and bonuses or other benefits.
- Article 8-1: In accordance with the Company Act, shares bought back by the Company, employee share subscription warrants and new restricted employee stock, and additional shares may be transferred, distributed, or subscribed to employees of parents or subsidiaries of the Company meeting certain specific requirements. The criteria shall be determined by the Board of Directors.

## Chapter 3. Shareholders' Meeting

- Article 9: The shareholders' meeting may be convened on a regular or special basis. A regular meeting shall be convened at least annually within six months after the end of each fiscal year. A special meeting may be convened whenever necessary. The Company's shareholders' meeting may be convened by videoconference or other means announced by the central competent authority. In case of natural disasters, accidents, or other force majeure events, the central competent authority may promulgate a ruling that authorizes a company which does not have above provision in its Articles of Incorporation to hold its shareholders' meeting by means of videoconference or other promulgated methods within a certain period of time. In case a shareholders' meeting is proceeded via videoconference, the shareholders taking part in such videoconference shall be deemed to have attended the meeting in person. For the preceding two paragraphs, a public company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs.
- Article 10: Any shareholder who is unable to attend a shareholders' meeting for whatever reason may appoint a proxy to attend the meeting by presenting a letter of attorney which indicates

the scope of authorization. . After the public listing of the Company, the appointment of a proxy by any shareholder to attend a meeting shall be subject to the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

Article 11: A shareholder of the Company shall have one voting right for each share held, except for any shareholder whose shares are restricted or who is deemed as having no voting rights under Paragraph 2, Article 179 of the Company Act.

Article 12: The Chairman of the Board of Directors shall preside over a shareholders’ meeting. If the Chairman is on leave or is absent for whatever reason, the Chairman shall appoint one of the directors to act on his/her behalf. Where the Chairman fails to make such appointment, the directors shall select one of them to act on behalf of the Chairman. If a shareholders’ meeting is convened by any person other than the Board of Directors who has the right to do so, the meeting shall be presided over by that person. Where there are two or more such persons, they shall select one of them to preside over the meeting.

Article 13: Except as otherwise provided by the Company Act, any resolution of a shareholders’ meeting shall be adopted by a majority of the voting rights held by the shareholders attending the meeting at which shareholders representing a majority of the total outstanding shares are present.

#### Chapter 4. Directors and the Audit Committee

Article 14: The Company shall have seven to eleven directors serving a three-year term, who shall be elected under a candidate nomination system by the shareholders’ meeting from a list of candidates. The directors may be reelected for consecutive terms. The number of directors shall be determined by the Board of Directors.

Article 15: Upon the expiration of the term of directors, if no new election has been held in time, their term shall be extended for performing their duties until newly elected directors take office. Notwithstanding the foregoing, the competent authority may, by its authority, order the Company to hold a new election within a limited period. If no new election has been held before the expiration of such a period, the directors shall be discharged upon the expiration thereof.

Article 16: Where at least one-third of the seats of directors are vacant, the Board of Directors shall convene a special shareholders’ meeting within 30 days or, after the public listing of the Company, within 60 days to hold a by-election. The term of each director elected as such shall be limited to the remaining term of his/her predecessor.

Article 17: At least three of the directors of the Company shall be independent directors. The professional competence, shareholdings, restrictions on concurrent positions, methods of nomination and election and other requirements of such independent directors shall be subject to Article 192-1 of the Company Act and the applicable regulations of the competent authority of securities.

Article 18: The Board of Directors shall consist of the Company’s directors. The Chairman shall be elected by a majority of the directors attending a meeting of the Board of Directors at which at least two-thirds of directors are present. The Chairman shall represent the Company externally.

Article 19: Except as otherwise provided by the Company Act, any meeting of the Board of Directors shall be convened and presided over by the Chairman. If the Chairman is on leave or unable to perform his/her duties for whatever reason, the Chairman shall appoint one of the directors to act on his/her behalf. Where the Chairman fails to

make such appointment, the directors shall select one of them to act on behalf of the Chairman.

Article 20: Unless otherwise provided for in the Company Act, any resolution of the Board of Directors shall be adopted by a majority of the directors attending a meeting of the Board of Directors at which a majority of directors are present.

Article 21: Any director who is unable to attend a meeting of the Board of Directors may appoint any other director to act on his/her behalf by presenting a letter of attorney which indicates the scope of authorization regarding the reasons for convening the meeting. The Board may convene via teleconferencing and the directors participating in the teleconference shall be deemed attending the Board session in person.

Article 22: The Company may take out liability insurance for its directors covering the liability they are legally required to bear in relation to the performance of their duties.

Article 23: The Board of Directors shall be authorized to determine the remuneration for the Chairman and directors based on the extent of their participation in and contributions to the operations of the Company, taking into consideration the general standards of the industry.

Article 24: The Company shall establish an Audit Committee consisting of all the independent directors. The number of members, term, duties and rules of procedure of the Audit Committee shall, in accordance with the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies”, be separately set forth in the “Rules of Organization of the Audit Committee”.

## Chapter 5. Manager

Article 25: The Company may appoint a manager to conduct all its business in accordance with the policies decided by the Board of Directors. Their appointment, discharge and compensation shall be subject to Article 29 of the Company Act.

## Chapter 6. Accounting

Article 26: At the end of each fiscal year of the Company, the Board of Directors shall prepare the following documents and submit them to the shareholders’ meeting for ratification:

- I. Business report.
- II. Financial statements.
- III. Motion for profit distribution or loss compensation.

Article 27: 5%–15% of the Company’s annual profits, if any, shall be appropriated as employee remuneration which may be distributed in shares or in cash as decided by the Board of Directors. Such employee remuneration may be distributed to the employees of affiliated companies who have met certain requirements. The Board of Directors may decide to appropriate 1%–3% of the amount of the said profits as directors’ remuneration. The proposals for distribution of the remuneration for employees and directors shall be submitted in a report to the shareholders’ meeting. If the Company has accumulated losses, an equivalent amount from the profits shall be reserved as compensation for such losses before the remuneration to employees and directors is appropriated by the aforementioned percentages.

The profits under the preceding paragraph shall mean the net profits before tax of each fiscal year prior to deduction of the remuneration for employees and directors.

Article 28:

- I The Company's earnings, if any, in its annual final account shall be first used to pay taxes and make compensation for its accumulated losses, and then 10% of the said profits shall be set aside as legal reserves, unless the amount of such legal reserves has reached the paid-up capital of the Company. The remaining amount of the said profits shall be set aside or reversed as special reserves as required by law or the competent authority. Any balance thereof still available shall, together with the undistributed earnings accumulated at the year's beginning and the "adjusted amount of the annual undistributed earnings", be submitted by the Board of Directors in the form of a proposal for distribution to the shareholders' meeting for ratification.
- The shareholder bonus in the preceding paragraph distributed in the form of cash ,**statutory surplus reserves and capital reserves** is authorized to a Board meeting attended by more than two-thirds of the directors and resolution by a majority of the directors present at the meeting, and shall be reported to the shareholders' meeting.
- When the Company provides special reserves in accordance with the law, the insufficient amounts in "net increase in fair value of investment property accumulated in prior periods" and "net decrease in other equity accumulated in prior periods" shall be provided by the same amount from the special reserves of prior years' undistributed earnings prior to the distribution of earnings. If the amount is still insufficient, the same amount shall be provided from current net income after tax plus items other than current net income after tax.
- II Dividend policy:
1. The Company's business is currently in the stage of operational growth, requiring profits to be retained as funding necessary for operational growth and investments. Therefore, the Company currently adopts a "balance as dividend" policy, giving consideration to the distribution of a balanced dividend equaling at least 50% of the annual net profits after tax. The Board of Directors may, however, submit a proposal for distribution to the shareholders' meeting for decision after taking into account the actual funding situation of the Company.
  2. Earnings may be distributed in the form of a combination of cash and stock dividends, provided that cash dividend is at least 20% of the total dividend. The shareholders' meeting may, however, make adjustment thereto based on future funding plans.

## Chapter 7. Supplementary Provisions

- Article 29: The organizational regulations and working rules of the Company shall be established separately.
- Article 30: Matters not provided in this Articles of Incorporation shall be subject to the Company Act and other applicable laws.
- Article 31: This Articles of Incorporation was established on April 26, 2007.  
1st amendment on June 19, 2008.  
2nd amendment on June 10, 2009.  
3rd amendment on June 9, 2011.  
4<sup>th</sup> amendment on June 28, 2012.

5<sup>th</sup> amendment on June 28, 2013.  
6<sup>th</sup> amendment on June 27, 2014.  
7<sup>th</sup> amendment on June 30, 2015.  
8<sup>th</sup> amendment on June 6, 2016.  
9<sup>th</sup> amendment on June 24, 2020.  
10<sup>th</sup> amendment on August 24, 2021.  
11<sup>th</sup> amendment on June 23, 2022.  
12<sup>th</sup> amendment on June 27, 2023

Tainergy Tech. Co., Ltd.

Chairman: CHING-FU HSIEH



**Tainergy Tech. Co., Ltd.**  
**Rules of Procedure for Shareholders' Meeting**

Appendix 2. Rules of Procedure for Shareholders' Meeting (Before Amendment)

- Article 1: For the purposes of building a system for good governance of the shareholders' meeting of the Company, ensuring its sound supervisory functions and strengthening its management capability, these Rules of Procedure (hereinafter referred to as the "Rules") has been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2: Except as otherwise provided by law or the Articles of Incorporation, the rules of procedure for the shareholders' meeting of the Company shall be governed by these Rules.
- Article 3: Except as otherwise provided by law, the shareholders' meeting of the Company shall be convened by the Board of Directors.

Any change of the method of convening a shareholders' meeting shall be resolved by the Board of Directors. The change shall be made at the latest prior to sending the letter of notification of the shareholders' meeting.

A meeting agenda handbook shall be prepared for any regular shareholders' meeting convened, for which a 30-day prior notice shall be given to all shareholders. Any shareholder holding less than 1,000 registered shares may be given such 30-day prior notice by a public disclosure made on the MOPS.

The shareholders' meeting agenda handbook and supplemental materials shall be made available for the shareholders in the following manners on the day of a shareholders' meeting:

I. Where a physical shareholders' meeting is held, they shall be made available on-site at the meeting.

II. Where a hybrid shareholders' meeting is convened, they shall be made available on-site at the meeting and electronic files shall be sent to the meeting platform of the videoconference.

III. Where a videoconference is convened, electronic files shall be sent to the meeting platform of the videoconference.

For any special shareholders' meeting convened, a 15-day prior notice shall be given to all shareholders. Any shareholder holding less than 1,000 registered shares may be given such 15-day prior notice by a public disclosure made on the MOPS.

The notices and public announcements shall expressly provide the subjects of the meeting and may be served in electronic means subject to consent by the target addressees.

The election or discharge of directors, amendment to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval for directors to compete with the Company, capital increase from retained earnings or capital reserve, the dissolution, merger or division of the Company or the matters set forth in Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be included in the notice to convene a meeting of shareholders and the essential content shall be explained, and it may not be proposed in the form of an extraordinary motion.

Any shareholder holding 1% or more of the total outstanding shares may submit to the Company a proposal for any regular shareholders' meeting. Such a proposal, however, shall be limited to one item only, and no proposal containing more than one item will

be included in the meeting agenda. Where any of the circumstances under Article 172-1, Paragraph 4 of the Company Act applies to a proposal submitted by any shareholder, the Board of Directors may exclude it from the meeting agenda. Any shareholder may submit a proposal for suggestions on urging the Company to enhance public interest or fulfill social responsibility. Procedurally, a shareholder may submit only one such proposal in accordance with Article 172-1 of the Company Act, and no proposal will be included in the meeting agenda if more than one has been submitted.

The Company shall announce the accepting of proposals submitted by shareholders, the method for accepting proposals in writing or by way of electronic transmission, and the location and period for accepting proposals before the Company suspends the transfer of stocks before the convening of the regular shareholders' meeting. The period for accepting proposals shall not be shorter than 10 days.

An issue proposed by a shareholder shall not exceed the maximum of 300 Chinese characters and an issue that exceeds 300 Chinese characters shall not be entered into the agenda. A shareholder who poses a proposal shall participate in the shareholders' meeting either in person or through a proxy and shall participate in the discussion process of the issue so proposed.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal-submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. On issues proposed by shareholders which are not entered into the agenda, the Board of Directors shall explain the reasons why during the shareholders' meeting.

Article 4: For each shareholder's meeting, a shareholder may issue a proxy in the standard form printed and provided by the Company, expressly specifying the scope of the powers bestowed to delegate a proxy to attend the shareholders' meeting on his or her behalf. A shareholder may issue one proxy and may only delegate one proxy. The proxy shall be served to the Company 5 days prior to the date scheduled for the shareholders' meeting. In case of double proxies, the proxy shall be entertained on the first come first served basis unless the preceding proxy is declared withdrawn.

After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting in person or to exercise voting rights in writing or through electronic means,

he or she shall inform the Company in writing to withdraw the proxy 2 days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.

After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting by video, he or she shall inform the Company in writing to withdraw the proxy 2 days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.

Article 5: (Principles for the Location and Time of the Shareholders' Meeting)

The shareholders' meeting shall be held at the location where the Company is headquartered or a location convenient for the shareholders to attend the meeting and suitable for convening the meeting. The start time of the meeting shall be no earlier than 9 a.m. and no later than 3 p.m. The opinions of the independent directors shall be given full consideration regarding the location and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a

virtual shareholders' meeting.

Article 6: (Preparation of Attendance Book and Other Documents)

The Company 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 shall be 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 attending the shareholders' meeting in person.

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

The Company shall prepare an attendance book for any attending to sign in or, alternatively, the attending shareholder may hand in a sign-in card.

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

Where the government or any juristic person is a shareholder, it may be represented by more than one person at the shareholders' meeting. Any juristic person attending the shareholders' meeting as a proxy may only be represented by one person at the meeting.

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

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

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

When convening a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. 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:
  - (II) 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.
  - (III) Shareholders who have not registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - (IV) 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 shareholders' 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 the meeting agenda of that shareholders' meeting.

(V) Actions to be taken if the outcomes of all proposals have been announced but extraordinary motions have not been carried out.

III. To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

**Article 7: (Chairperson and Attendees of the Shareholders' Meeting)**

Any shareholders' meeting convened by the Board of Directors shall be presided over by the Chairman. If the Chairman is on leave or unable to perform his/her duties for whatever reason, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or where the Vice Chairman is also on leave or unable to perform his/her duties for whatever reason, the Chairman shall appoint one of the executive directors to act on his/her behalf. In the absence of any executive director, one of the directors shall be appointed to act on behalf of the Chairman. Where the Chairman fails to make such appointment, the executive directors or directors shall select one of them to act on behalf of the Chairman.

Any shareholders' meeting convened by the Board of Directors should be attended by a majority of the directors.

If a shareholders' meeting is convened by any person other than the Board of Directors who has the right to do so, the meeting shall be presided over by that person. Where there are two or more such persons, they shall select one of them to preside over the meeting.

Attorneys, certified public accountants or other related persons engaged by the Company may be appointed to attend a shareholders' meeting.

**Article 8: (Documentation of the Shareholders' Meeting by Audio or Video)**

Audio and video records of any shareholders' meeting shall be made and retained for at least one year by the Company. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, such records shall be retained until conclusion of the lawsuit.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and make a continuous and uninterrupted audio and video recording of 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 the Company 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.

**Article 9: Shares shall be the basis for the calculation of attendees at a shareholders' meeting. The number of shares in attendance shall be calculated according to the number of shares indicated by the attendance book and the shares checked in on the virtual meeting platform, or the sign-in cards handed in, plus the number of shares whose voting rights are exercised in a written or electronic form.**

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. If the attending shareholders do not represent a majority of the total outstanding shares, the chair may postpone the meeting twice at most, and the duration of such postponement may not exceed one hour in total. 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, the Company shall also declare the meeting adjourned on the virtual meeting platform.

If the attending shareholders after the second postponement, while still not meeting the quorum, represent at least one third of the total outstanding shares, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and communicated to the shareholders to notify them that the meeting will be convened again within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 6.

If the attending shareholders before the end of the meeting already represent a majority of the total outstanding shares, the chairperson may re-propose the tentative resolution for voting at the meeting in accordance with Article 174 of the Company Act.

**Article 10: (Discussion of Motions)**

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in accordance with the set agenda, which may not be changed without a resolution of the meeting.

The provisions of the preceding paragraph shall apply mutatis mutandis to any shareholders' meeting convened by any person other than the Board of Directors who has the right to do so.

With respect to the set agenda under the preceding two paragraphs (including extempore motions), the chairperson may not unilaterally adjourn the meeting without a resolution before it ends. If the chairperson declares an adjournment in violation of these Rules, other members of the Board of Directors shall promptly assist the attending shareholders to, in accordance with legal procedures, elect a new chairperson by a majority of the voting rights held by the attending shareholders to continue the meeting.

The chairperson shall give sufficient opportunities for explanation and discussion of any proposal or any amendment or extempore motion submitted by a shareholder. If the chairperson determines that the proposal, amendment or motion can be put to a vote, he/she may end the discussion and submit the proposal, amendment or motion to a vote.

After the meeting is adjourned, the shareholders may not elect another chairperson to resume the meeting at the original or other venue.

**Article 11: (Statements by Shareholders)**

Before any attending shareholder delivers a statement, the shareholder shall submit a speaker's slip containing the subject of his/her statement and his/her account number (or attendance card number) and account name. The chairperson shall determine the order in which the shareholder delivers his/her statement.

Any shareholder who has submitted a speaker's slip without delivering his/her statement shall be deemed as not having delivered any statement at all. In the event of any inconsistency between the statement delivered and that contained in the speaker's slip, the statement delivered shall prevail.

Unless the chairperson gives consent, no shareholder may deliver his/her statement

more than twice on the same proposal, and each statement may not be delivered for more than five minutes. If the shareholder's statement violates these Rules or exceeds the scope of the proposal, the chairperson may stop the delivery of his/her statement. When a shareholder is delivering his/her statement, any other shareholder may not interrupt with his/her own statement without consent by both the chairperson and the shareholder delivering statement. The chairperson shall stop any such interruption.

Where any shareholder who is a juristic person is represented by two or more persons at the shareholders' meeting, only one of them may be selected to deliver a statement on a proposal.

After the attending shareholders have delivered their statements, the chairperson may give or have designated persons give responses.

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

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

**Article 12: (Calculation of Voting Shares and Recusal System)**

Shares shall be the basis for calculating the votes at a shareholders' meeting.

With respect to any resolution of a shareholders' meeting, the number of shares held by any shareholder with no voting rights shall not be calculated as part of the number of the total outstanding shares.

Where any shareholder has a stake in any proposal at the meeting, and where the interest of the Company is likely to be prejudiced as a result, that shareholder may not vote on the proposal and may not exercise voting rights on behalf of any other shareholder.

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

Where one person has been appointed to act as a proxy for two or more shareholders, unless the person is a trust company or a stock transfer agency approved by the competent authority of securities, the voting rights exercised by the person may not exceed 3% of the voting rights of the total outstanding shares. Excessive voting rights shall not be calculated.

**Article 13: A shareholder shall have one voting right for each share held, except for any shareholder whose shares are restricted or who is deemed as having no voting rights under Article 179, Paragraph 2 of the Company Act.**

At a shareholders' meeting convened by the Company, voting rights may be exercised in writing or electronically. Where voting rights are exercised in writing or electronically, such means of exercise shall be expressly provided in the notice of the shareholders' meeting. Any shareholder exercising voting rights in a written or electronic form will be deemed as having attended the shareholders' meeting in person, but also deemed as having waived his/her rights with respect to the extempore motions and amendments to original proposals at that meeting.

Any shareholder exercising voting rights in a written or electronic form under the preceding paragraph shall deliver his/her intention to do so to the Company two days before the date of the shareholders' meeting. Where duplicate intentions are delivered,

the one received first shall prevail, unless a statement has been made to withdraw the said intention.

Where any shareholder who has exercised voting rights in a written or electronic means intends to attend the shareholders' meeting in person, the shareholder shall withdraw his/her previous intention to exercise voting rights in the same way in which he/she has exercised voting rights at least two days before the date of the shareholders' meeting. If the said intention is withdrawn after that period, the voting rights exercised in a written or electronic form shall prevail. Where any shareholder who has exercised voting rights in a written or electronic form has appointed a proxy to attend the shareholders' meeting through a letter of attorney, the voting rights exercised by the appointed proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and the Articles of Incorporation of the Company, a proposal shall be adopted by a majority of the voting rights represented by the attending shareholders. At the time of a vote for each proposal, the chairperson or any person designated by him/her shall first announce the total number of voting rights represented by the attending shareholders. The shareholders vote for each proposal, and on the same day after the conclusion of the meeting, 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.

Where there is any amendment or alternative to a proposal, the chairperson shall determine the order in which the amended or alternative proposal together with the original one are put to a vote. If one of the proposals is adopted, the other proposal shall be deemed as rejected, and no further voting is required.

Persons responsible for monitoring and counting the votes on proposals shall be designated by the chairperson. Any vote monitor shall be a shareholder.

Votes shall be counted publicly at the venue of the shareholders' meeting, and the voting result shall be announced on-site and recorded.

When the Company 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 end of the voting session, or they will be deemed to have abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the end of the voting session, and the results of the votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the virtual meeting 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 virtual shareholders' meeting.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the virtual shareholders' meeting, except for extraordinary motions, they may 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: (Elections matters)

Any election of directors at a shareholders' meeting shall be held in accordance with the applicable rules of election established by the Company, and the election result shall be announced on-site, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors and not elected and number of votes they received.

The ballots for any election under the preceding paragraph shall be sealed with the

signatures of the vote monitors and kept in proper custody for at least one year. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until conclusion of the lawsuit.

Article 15: (Resolutions)

Resolutions adopted by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed by or stamped with the seal of the chairperson and distributed to all shareholders within 20 days after the conclusion of the meeting. The meeting minutes under the preceding paragraph may be produced and distributed in an electronic form.

The meeting minutes under paragraph 1 may be distributed by a public disclosure made on the MOPS.

The meeting minutes shall accurately record the year, month, day and venue of the meeting, the chairperson's name, the method of resolution, a summary of the meeting and the meeting results. The meeting minutes shall be retained permanently for the duration of the existence of the Company. The attendance book or sign-in cards of the attending shareholders and the letters of attorney for proxy attendance shall be retained for at least one year. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the said records shall be retained until conclusion of the lawsuit.

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 name of the chair and secretary, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the virtual meeting 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 shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting.

Article 16: (Public Disclosure)

On the day of a shareholders' meeting, the Company shall compile, according to the specified format, statistics of the number of shares acquired by solicitors through solicitation and 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 venue of the shareholders' meeting. In the event of a virtual shareholders' meeting, the Company 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.

If the resolutions adopted by a shareholders' meeting include material information as provided by law or defined by Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the resolutions including such information to the MOPS within the specified time period.

Article 17: (Maintenance of Order at the Meeting)

Any person managing the administrative affairs of a shareholders' meeting shall wear an identification badge or armband.

The chairperson may direct disciplinary officers or security guards to help maintain order at the meeting. A disciplinary officer or security guard shall wear an identification armband marked with "Discipline" while maintaining order at the meeting.

Where the place of the shareholders' meeting has loudspeaker equipment, any



shareholder speaking through any device other than the equipment provided by the Company may be stopped by the chairperson from doing so.

Where any shareholder violates these Rules and defies the chairperson's correction, obstructs the proceedings and refuses to heed calls to stop, the chairperson may direct disciplinary officers or security guards to escort the shareholder out of the meeting.

**Article 18: (Break and Resumption of Meeting)**

During the process of the meeting, the chairperson may announce a break at any time deemed appropriate by him/her. In the event of force majeure, the chairperson may suspend the meeting and announce a time for resumption of the meeting depending on the circumstances.

If the meeting venue is no longer available for continued use before all of the items (including extempore motions) on the meeting agenda have been completed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. The shareholders' meeting may, in accordance with Article 182 of the Company Act, adopt a resolution to postpone or resume the meeting within five days.

**Article 19: (Disclosure of information at virtual meetings)**

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

**Article 20: (Location of the chair and secretary of virtual shareholders' meeting)**

When the Company convenes a virtual shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

**Article 21: (Handling of disconnection)**

In the event of a virtual shareholders' meeting, the Company 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 technical issues in the communication.

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 virtual shareholders' meeting 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 and voting rights and election rights exercised by the shareholders who have registered to participate in the affected virtual shareholders' meeting and have successfully signed in for the meeting but do not attend the postponed or resumed session, 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 the list of elected directors.

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

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting 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 the meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company 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 the date or period set forth under the second half of Article 12 and Article 13, Paragraph 3 of the 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, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22: (Handling of the digital divide)

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting.

Article 23: Supplementary Provisions:

- I. Matters not provided in these Rules shall be subject to the Company Act, other applicable laws and the Articles of Incorporation.
- II. These Rules and any amendment thereto shall be implemented after the adoption thereof by the shareholders' meeting.

Article 24: These Rules were established on June 19, 2008.

1st amendment on June 28, 2012.

2nd amendment on June 6, 2016.

3rd amendment on August 24, 2021.

4rd amendment on June 23, 2022

### Shareholdings by Directors

1. The paid-up capital of the Company was NTD 2,250,000,000, and the total number of shares issued were 225,000,000. As of the book closure date for the regular shareholders' meeting (March 30, 2024), the minimum number of shares held by directors is 12,000,000.
2. The number of shares held by directors has reached the legally required percentage.
3. As of the book closure date for the regular shareholders' meeting (March 30, 2024), the shareholdings by individual and all directors, as recorded in the shareholder register, are as follows:

Title	Name	Number of shares held as recorded in the shareholder register on the book closure date	
		Number of shares	Shareholding ratio
Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. Representative: CHING-FU HSIEH	61,132,856	27.17%
Director	KENMEC MECHANICAL ENGINEERING CO., LTD. Representative: LI-CHUAN SHEN	-	-
Director	CHIEN-LIANG CHEN	-	-
Director	MING-CHIH HSIEH	522	0%
Independent director	YAO-JUNG KAN	-	-
Independent director	CHIA-HSIANG WANG	-	-
Independent director	FU-LING YEH	-	-
Total number of shares held by directors		61,133,378	27.17%