

**ALLTOP TECHNOLOGY CO., LTD.**

**Handbook for the 2024 Annual Meeting of Shareholders**

**Time** : 9:00 a.m. on Wednesday, June 19, 2024

**Place** : No. 102, Chungshan Rd., Chunghe Dist., New Taipei City 235, Taiwan  
(Headquarters conference room 3F)

**Disclaimer**

This is a translation of handbook for the 2023 Annual Meeting of Shareholders ("the Handbook") of ALLTOP TECHNOLOGY CO., LTD. ("the Company"). The translation is intended for reference only and no other purpose. The Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the meeting handbook shall govern any and all matters related to the interpretation of the subject matter stated herein.

## ALLTOP TECHNOLOGY

### Handbook for the 2024 Annual Meeting of Shareholders

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# ALLTOP TECHNOLOGY

## I. Meeting Agenda

**I. Time:** 9:00 a.m. on Wednesday, June 19, 2024

**II. Place :** No. 102, Chungshan Rd., Chunghe Dist., New Taipei City 235, Taiwan  
(Headquarters conference room 3F)

**III. Convocation method :** Physical shareholders meeting

**IV. Call the Meeting to Order**

**V. Chairperson Remarks**

**VI. Reports on Company Affairs**

- (i) 2023 Business Report.
- (ii) Audit Committee's Review of the 2023 Financial Statements.
- (iii) Distribution of the 2023 Compensation of Employees and Directors.
- (iv) The Status of Implementation of Operating for Trading with Related-parties.
- (v) Issue of Domestic Unsecured Corporate Bonds.
- (vi) Amendments to Parts of the "Rules of Procedure for Board of Directors Meetings".

**VII. Proposed Resolutions**

- (i) Adoption of 2023 Business Report and Financial Statements.
- (ii) Adoption of the Proposal for Distribution of 2023 Profits.

**VIII. Discussion**

- (i) Proposal of Capital Reserve Distribution in Cash.
- (ii) Amendment to the Company's Corporate Charter (Articles of Incorporation).

**IX. Election Matters**

The 11th Election of Directors

**X. Other Matters**

Proposal of Release the Prohibition on Directors from Participation in Competitive Business.

**XI. Extemporaneous Motions**

**XII. Adjournment**

## II. Reports on Company Affairs

### Report No. 1

2023 Business Report.

**Explanation:** 2023 Business Report is attached hereto as Attachment 1, Pages 11 to 14 of this Handbook.

### Report No. 2

Audit Committee Review Report of 2023 Financial Statements.

**Explanation:** The Audit Committee Review Report is attached hereto as Attachment 2, Page 15 of this Handbook.

### Report No. 3

Distribution of the 2023 Compensation of Employees and Directors.

**Explanation:** 1. In accordance with the Company's Articles of Incorporation, "If there is profit at the end of each fiscal year, a ratio between four percent (4%) and ten percent (10%) as Employees' Remuneration shall be distributed in form of share or cash following resolutions by the Board. Employees entitled to receive such Remunerations may include the employees of subsidiaries of the Company meeting certain specific requirement; and a ratio no more than two percent (2%) as Directors' Remuneration from the aforesaid profit may be distributed by the Board. However, the Company's accumulated losses shall have been covered first before any distribution based on the said percentages."

2. The Employees' Remunerations at NT\$55,832,943 distributed in form of cash is in compliance with distribution ratio of the Employees' Remunerations between four percent (4%) and ten percent (10%) of the current profit provided for in the Company's Articles of Incorporation; the Directors' Remunerations at NT\$15,792,000 distributed in form of cash is in compliance with distribution ratio of the Directors' Remunerations no more than two percent (2%) of the current profit provided for in the Company's Articles of Incorporation.

**Report No. 4**

The Status of Implementation of Operating for Trading with Related-parties.

**Explanation:** Lique Technology (Taichang) Co., Ltd. leased part of the factory space of the second factory from ALLTOP Electronics (Suzhou) Co., Ltd., and its supplementary contract was ratified by the company's audit committee and board of directors on August 4, 2023. The contents of the agreement are: 1. The water and electricity bills will be borne by the lessee; 2. The lessee's rental deposit of RMB 42,705 will be returned. As of the current year, both parties have implemented the agreement in accordance with the content.

**Report No. 5**

Issue of Domestic Unsecured Corporate Bonds.

**Explanation:** In order to enrich working capital, the company issued the sixth domestic unsecured conversion corporate bonds on January 29, 2024, as approved by all directors present at the board of directors on November 3, 2023 without objection. The total issuance amount is NT\$1 billion, and full payment was received on January 26, 2024. The issuance period is five years (January 29, 2024 to January 29, 2029), and the coupon rate is 0%. The conversion price is NT\$223.2. Relevant issuance and conversion information has been announced and reported in accordance with regulations.

**Report No. 6**

Amendments to Parts of the "Rules of Procedure for Board of Directors Meetings".

**Explanation:** The amendment to the Company's "Rules of Procedure for Board of Directors Meetings" made under the order of competent authorities has been adopted and submitted to this Regular Shareholders' Meeting for report. The Comparison Table for the articles before and after amendment is attached hereto as Attachment 4, Pages 36 to P41 of this Handbook.

### III. Proposed Resolutions

#### **Proposal 1** (Proposed by the Board)

Adoption of 2023 Business Report and Financial Statements.

**Descriptions:** 1. The Company's 2023 Financial Statements and Consolidated Financial Statements have been audited and attested by CPAs Jui Hsuan Ho and Keng Hsi Chang of Deloitte Taiwan. The aforesaid Financial Statements along with Business Report and Table of Earnings Distribution have been submitted to the Audit Committee for review. For your ratification.

2. The Independent Auditor's Report and the aforesaid Business Report and Financial Statements are attached hereto as Attachments 1 and 3.

3. Please refer to Pages 11 to 14 and Pages 16 to 35 of this Handbook.

#### **Resolution:**

#### **Proposal 2** (Proposed by the Board)

Adoption of the Proposal for Distribution of 2023 Profits.

**Descriptions:** 1. The Company's Proposal of 2023 Profits. Distribution has been adopted by the Board of Directors, with distribution status shown as follows:

#### ALLTOP TECHNOLOGY CO., LTD.

##### Table of Profits Distribution

Unit: NT\$

Items	Amount
<b>Beginning Undistributed Profits</b>	<b>230,472,129</b>
Profit after Tax for the Period	689,697,038
Items under other comprehensive profit or loss not recategorized into profit or loss	285,482
<b>Current Net Profit plus Adjustments</b>	<b>689,982,520</b>
Legal Reserve (10%)	(68,998,252)
Reversal of Special Reserve	(52,032,436)
<b>Earnings Distributable Added in the Period</b>	<b>568,951,832</b>
<b>Earnings Distributable for the Period</b>	<b>799,423,961</b>
Distribution Items	
Cash Dividend to Shareholders (NT\$9.35/Share) Note 1	<b>552,941,282</b>
<b>Ending Undistributed Profits</b>	<b>246,482,679</b>

Items	Amount
Note 1: Calculated based on the 59,138,105 shares of common stock outstanding as of December 31, 2023.	

Chairman: Yu Wan Yi

General Manager: Chang Yi Wei

Accounting Manager: Chen Ching Yi

2. If the number of outstanding shares on the dividend record date increases or decreases as a result of the subsequent repurchase of the shares or the assignment, conversion, cancellation or other circumstances that cause increase or decrease of shares after the aforementioned profits distribution, the cash dividend distribution rate shall, pursuant to the total amount of cash dividends taken in said earning distribution resolution, be adjusted according to the actual number of outstanding shares on the dividend record date. The adjustment to the said cash dividend distribution rate and relevant change matters will be handled by the Board of Directors under authorization of the Company after passage by resolution in this Regular Shareholders' Meeting.
3. The portions of cash dividend lower than NT\$1 will be rounded off. The sums of fractional shares under NT\$1 in the distribution are recognized under shareholders' equity.
4. The dividend record date and relevant distribution affairs will be set otherwise by the Board of Directors under authorization of the Company after passage by resolution in this Regular Shareholders' Meeting.

Resolution:

## IV. Discussion

### **Proposal 1** (Proposed by the Board)

Proposal of Capital Reserve Distribution in Cash.

**Descriptions:** 1. The Company has proposed to distribute the capital reserve derived from the issuance of new shares at a premium totaling at NT\$133,060,736 to the shareholders in form of cash, with the ratio of approx. NT\$2.25 per share. The portions of cash dividend lower than NT\$1 will be round off. The sums of fractional shares under NT\$1 in the distribution are recognized under shareholders' equity. The aforesaid amounts for this distribution are calculated based on the 59,138,105 shares of common stock outstanding as of December 31, 2023.

2. If the number of outstanding shares on the dividend record date increases or decreases as a result of the subsequent repurchase of the shares or the assignment, conversion, cancellation or other circumstances that cause increase or decrease of shares after the implementation of this Proposal, the cash dividend distribution rate shall, pursuant to the total amount of cash dividends taken in said earning distribution resolution, be adjusted according to the actual number of outstanding shares on the dividend record date. The adjustment to the said cash dividend distribution rate and relevant change matters will be handled by the Board of Directors under authorization of the Company after passage by resolution in this Regular Shareholders' Meeting.

3. The dividend record date and relevant distribution affairs will be set otherwise by the Board of Directors under authorization of the Company after passage by resolution in this Regular Shareholders' Meeting.

**Resolution:**

### **Proposal 2** (Proposed by the Board)

Amendment to the Company's Corporate Charter (Articles of Incorporation)

**Descriptions:** 1. In order to improve the efficiency of the company's profit distribution and capital reserve disbursement in cash, in accordance with the provisions of Article 240, Paragraph 5 and Article 241, Paragraph 1 of the Company Act, it is expressly stipulated in the Company's Articles of Association that two-thirds of the Board of Directors shall The attendance of the above directors and the resolution of more than half of the



directors present were taken and reported to the shareholders' meeting, thus amending the relevant provisions of the company's articles of association.

2. The Comparison Table for the articles before and after amendment is attached hereto as Attachment 5, Pages 42 to 43 of this Handbook.

**Resolution:**

## V. Election Matters

### Proposal

The company is responsible for identifying and evaluating nominees for director seats, and recommending to the Board a slate of nominees for the 11th Directors election.

- Descriptions:**
1. The three-year term of 10 directors of the 10th Board will be end on July 4, 2024. Accordingly, the company proposes to duly elect new Board members at this year's Annual Meeting of Shareholders. According to the company's articles of association, nine directors (including three independent directors) should be elected for the 11th term.
  2. According to the Articles of Association of the Company, the candidate nomination system is adopted for the election of directors. The information of nominated directors and independent directors of the board of directors is as follows:

List of Director Candidates	Academic & Experience	Shareholding
HoYuan Investment Co., Ltd. Representative: Yu Wan Yi	<ul style="list-style-type: none"> <li>■ Stevens Institute of Technology/ Institute of Materials Engineering</li> <li>■ Alltop Tech. Co., Ltd./ Chairman</li> </ul>	938,026
PanJit Int'l Inc. Representative: Fang Min Zong	<ul style="list-style-type: none"> <li>■ Cheng Shiu University / Dept. of Civil Engineering</li> <li>■ Triontek-M Co., LTD./ Chairman</li> </ul>	11,315,009
YanHua Investment Ltd. Representative: Chang Yi Wei	<ul style="list-style-type: none"> <li>■ Feng Chia University /Dept. of Information Engineering and Computer Science</li> <li>■ Alltop Tech. Co., Ltd./ Deputy GM</li> </ul>	2,026,000
JuiTsan Investment Co., Ltd. Representative: Chen Yuan Chen	<ul style="list-style-type: none"> <li>■ Cheng Kung University /Master of Dept. Of Industrial Design</li> <li>■ BenQ Medical/Senior Manager of Institutional Design department</li> </ul>	904,882
Panjit Int'l Inc. Representative: Chang Yao Yong	<ul style="list-style-type: none"> <li>■ University of Texas / Research Institute</li> <li>■ Panjit Int'l Inc. / CFO</li> </ul>	11,315,009
Lin Yueh Hsia	<ul style="list-style-type: none"> <li>■ Victoria University/ Master of Management</li> <li>■ Alltop Tech. Co., Ltd./Supervisor</li> </ul>	550,686 (note: Including the number of trust shares that retain the right to exercise decisions 202,585 shares)

List of Independent Director Candidates	Academic & Experience	Shareholding
Pu Tsun Ching	<ul style="list-style-type: none"> <li>■ TamKang University/ Dept. of Business Administration</li> <li>■ ChangHwa Bank/ Deputy Director of Commodity Management Department</li> </ul>	0
Shi Chun Cheng	<ul style="list-style-type: none"> <li>■ National Taiwan University/ Master of Accountancy</li> <li>■ Jia Wei &amp; Co., CPAs/ Vice Director</li> </ul>	0
Chiang Chih Fung	<ul style="list-style-type: none"> <li>■ TamKang University/ Dept. of Accounting</li> <li>■ Chijing Accounting Firm/ CPA</li> </ul>	0

3. Although the candidate Pu Tsun Ching been elected for three terms, in view of his expertise and familiarity with the company and his detached independence during his tenure as an independent director, he was nominated for re-election as an independent director.
4. The new director's term is three years, from June 19, 2024 to June 18, 2027.

**Resolution:**

## **VI. Other Matters**

### **Proposal**

Proposal for Release the Prohibition on Directors from Participation in Competitive Business.

**Descriptions:** 1. For the sake of operational needs, we propose to submit a resolution at the regular meeting of shareholders that the newly elected directors and their representatives of the company will not be subject to the non-competition restrictions in Article 209 of the Company Act, in order to facilitate the development of the business.

2. In accordance with the provisions of Article 209 of the Company Act, newly elected directors (including independent directors) and their representatives who plan to request the shareholders' meeting to agree to lift the non-competition restrictions shall supplement the scope and content on the spot before the shareholders' meeting discusses the case.

**Resolution:**

## **VII. Extemporary Motions**

## **VIII. Adjournment**

## IX. Attachment

### Attachment 1

## 2023 Business Report

### 1. Operating Performance in 2023

#### (I) Consolidated financial results

Consolidated financial results

Unit: NT\$ thousand

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) Percent%
Operating income	2,394,974	2,619,822	85,096	3.68
Operating costs	1,166,083	1,395,876	(72,169)	(5.83)
Operating margin	1,228,891	1,223,946	157,265	14.68
Operating expenses	494,631	511,188	426	0.09
Operating Net profit	734,260	712,758	156,839	27.16
Pre-tax net profit	809,443	770,004	142,132	21.30

#### Taipei Office

Unit: NT\$ thousand

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) Percent%
Operating income	1,219,117	1,687,715	(114,376)	(8.58)
Operating costs	799,224	1,150,394	(29,201)	(3.52)
Operating margin	419,893	537,321	(85,175)	(16.86)
Operating expenses	259,364	269,322	9,768	3.91
Operating Net profit	160,529	267,999	(94,943)	(37.16)
Pre-tax net profit	726,316	703,789	108,478	17.56

(II) Budget implementation : The Company did not publish 2023 annual financial plan; therefore, it is not applicable.

#### (III) Financial Revenue and Expenditure, and Profitability analysis

Unit: NT\$ thousand

Item		Year	2023	2022
Financial Revenue and Expenditure	Operating net revenue		2,394,974	2,619,822
	Operating margin		1,228,891	1,223,946
	Gross profit margin (%)		51.31	46.72
	Interest expense		12,585	8,030
	Net profit after-tax		689,697	643,172
	Net profit after-tax rate (%)		28.80	24.55

Item \ Year		2023	2022
Profitability	Return on assets (%)	16.49	17.11
	Return on shareholders' equity (%)	26.91	27.05
	Ratio to paid-in capital	124.31	108.47
	Operating profit (%)	137.04	117.18
	Pre-tax net profit	28.80	24.55
	Net profit rate (%)	11.68	11.19
	Earnings per share before retrospective (NT\$)	-	-
Cash flow	Earnings per share after retrospective (NT\$)	-	-
	net income and expenses from operating activities	675,005	585,376
	net income and expenses from investing activities	196,504	(1,404,057)
	net income and expenses from financing activities	(427,256)	(127,880)

#### (IV) Research and development status

##### 1. The ratio of R&D turnover in the last three years

Unit: NT\$ thousand

Item \ Year		2023	2022	2021
R&D expenses		63,550	78,301	64,800
Ratio of operating income (%)		2.65	2.99	3.03

##### 2. R&D achievements in 2023

In order to provide customers with high-quality product solutions and achieve long-term stable profitable goals, the research and development direction and achievements in recent years are summarized as follows:

- (i) In terms of design, manufacturing process, quality control and testing, improving overall technical proficiency.
- (ii) Strengthening the analysis and experiment capabilities of high-frequency connectors.
- (iii) Expanding the server product line and market scale of high-speed and high-power connectors.
- (iv) Developing servers with multiple foldable high-speed connection cables and module connectors for electric vehicles, etc.

## 2. Business Plan for 2023

### (I) Operating principle and important production and marketing policies

- Master market trend, distribute the next generation of new products, expand new fields of application and establish the momentum for future growth.
- Accumulate the market penetration rate in electric vehicles, servers and foldable high-speed cables application fields.
- Maintain market share leadership in notebook computer application field.
- Optimize product combination to maximize gross profit margin.
- Improve the design and verification capabilities of collaborative development with international major manufacturers.
- Implement resource integration and exert internal capabilities.

### (II) Sales forecast and sales policy

The primary source of revenue for the Company is derived from the production and distribution of connectors, which are categorized based on their application, such as server connectors, high-speed cables, notebook computer connectors, and automotive connectors. Unfortunately, the Company's board of directors has not yet decided to reveal their financial projections, making it impossible to provide any statistical information on anticipated sales volume.

### (III) Development Strategy

- Implementing the business philosophy of "Quality" and "Innovation".
- Creating customer value, adhere to integrity, win-win and common prosperity.
- Adhering to the core business and pursue long-term stable profits and maximum value for shareholder.
- Emphasizing the employee policy of people-oriented, active care and sharing growth results.
- Emphasizing the corporate governance, integrity-based and sustainable development.

### (IV) The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

In the past year, we have faced various challenges and variables, but we have also successfully seized many opportunities. In the face of market competition, the company has maintained steady profit growth, and has also achieved business expansion in new areas and increased profit margins. This all depends on the strong support of partners and shareholders, as well as the joint efforts of the entire operating team. We would like to extend our sincerest greetings and gratitude to everyone.

The epidemic of covid-19 in 2020 has changed people's way of life. The rise of remote work and distance teaching has led to the prosperity of the stay-at-home economy. However, the continuous impact of the variant virus has indeed affected the normal operation of the overall supply chain. We have adopted various solutions to solve the problems such as inflation caused by the global loose monetary policy, foreign exchange rate fluctuations, and general shortage of workers and materials, etc. These solutions include currency hedging, more diversified procurement strategies, optimized inventory management, industry-academia collaboration, continued automation, and cost control.

We always pay attention to the development and evolution of science and technology related to the industry we are in, quickly grasp the industry trends and continuously improve our research and development capabilities. We are particularly focused on researching and developing key core technologies and developing highly niche products. In terms of regulations, various innovative concepts and design results are also granted patent protection. In addition to having solid independent innovation and development capabilities, the R&D team is already ahead of its peers in R&D results and technical capabilities. Facing the ever-changing global competitive environment, we can take practical actions to turn it into new opportunities and growth opportunities.

The pursuit of long-term stable profits has always been an important goal of ALLTOP. The management team always adheres to the thinking of steady persistence and innovative advancement. While continuing to deepen the existing product lines, we do not forget to actively expand new products and new markets. In recent years, it has achieved success in the fields of servers and automotive products. In addition to its revenue share increasing year by year, it has become the main driving force supporting long-term stable growth. The optimization of revenue mix, rigorous inventory

management and lean cost control are reflected in the continuous improvement of profitability.

In the face of numerous difficulties and challenges in the future, the management team will adhere to the business philosophy of "quality" and "innovation", and respond with flexible business steps in order to continue to cherish the earth's resources, strive to reduce our carbon footprint, and fulfill our corporate social responsibilities. We look forward to working together with our long-term partners to create ALLTOP's sustainable development and maximum shareholder value!

Chairman	Yu Wan Yi
GM	Chang Yi Wei
Accounting Manager	Chen Ching Yi



**ALLTOP TECHNOLOGY CO., LTD.**

**Audit Committee Review Report**

The Company's parent-only and consolidated financial statements in 2023 prepared by the Board of Directors have been audited and attested by CPAs Jui Hsuan Ho and Keng Hsi Chang of Deloitte Taiwan. The aforesaid financial statements along with business report and proposal for profits distribution has been reviewed and determined to be correct and accurate by the Audit Committee, with this Audit Committee Review Report proposed for review pursuant to Article 219 of the Company Act.

To

ALLTOP TECHNOLOGY CO., LTD. 2024 Annual Regular Shareholders' Meeting

ALLTOP TECHNOLOGY CO., LTD.

Convener of Audit Committee: Pu Tsun Ching

M a r c h 1 5 , 2 0 2 4

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Alltop Technology Co., Ltd.

**Opinion**

We have audited the accompanying financial statements of Alltop Technology Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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

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

**Basis for Opinion**

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

**Key Audit Matters**

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

The key audit matters of the financial statements of the Company for the year ended December 31, 2023 is stated as follows:

For the year ended December 31, 2023, the revenue of the Company amounted to NT\$1,219,117 thousand, which was a decrease compared to the previous year. Among which, those significant sales amounts with continuous growth accounted for approximately 37% of the total revenue. It is considered material for the financial statements. Therefore, the occurrence of revenue recognition related to sales of these customers is listed as a key audit matter in the financial statements for the year ended December 31, 2023. Refer to Note 4(1) and Note 22 for the accounting policies and relevant disclosure information regarding revenue recognition.

The audit procedures for the key audit matter are the following:

1. We understood and tested the design and operating effectiveness of the key control over revenue recognition to confirm and evaluate the effectiveness of the internal control while conducting a sale transaction.
2. We selected samples from the Company's sales details, reviewed both Company's and its customers' sales reconciliation data, invoice, delivery note and other relevant proof of delivery with signature. We also examined the remittance senders and collection process or other alternative audit procedures, to verify the occurrence of sales transactions.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Ho and Keng-His Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2024

Notice to Readers

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

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

# ALLTOP TECHNOLOGY CO., LTD.

## BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 52,076	1	\$ 322,337	8
Financial assets at fair value through profit or loss - current (Notes 4, and 7)	-	-	568	-
Notes receivable (Notes 4, 9 and 22)	-	-	263	-
Trade receivables (Notes 4, 9 and 22)	385,611	9	375,821	10
Trade receivables from related parties (Notes 4, 22 and 29)	33,641	1	35,856	1
Other receivables (Notes 4 and 9)	571	-	601	-
Other receivables from related parties (Notes 4 and 29)	686	-	1,113	-
Inventories (Notes 4 and 10)	47,583	1	46,821	1
Other current assets (Note 15)	3,897	-	4,417	-
Total current assets	524,065	12	787,797	20
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8 and 30)	2,603	-	2,603	-
Investments accounted for using the equity method (Notes 4 and 11)	3,555,959	85	2,979,210	77
Property, plant and equipment (Notes 4, 12 and 19)	69,669	2	71,648	2
Right-of-use assets (Notes 4 and 13)	880	-	121	-
Other intangible assets (Notes 4 and 14)	8,167	-	8,897	-
Deferred tax assets (Notes 4 and 24)	34,375	1	20,233	1
Net defined benefit assets - non-current (Notes 4 and 20)	3,412	-	3,010	-
Other non-current assets (Notes 4 and 15)	477	-	477	-
Total non-current assets	3,675,542	88	3,086,199	80
TOTAL	\$ 4,199,607	100	\$ 3,873,996	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 16)	\$ 129,900	3	\$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	1,120	-	9,040	-
Trade payables	7,960	-	12,706	-
Trade payables to related parties (Note 29)	333,819	8	202,094	5
Other payables (Notes 18 and 26)	124,411	3	116,356	3
Other payables to related parties (Notes 26 and 29)	-	-	62	-
Current tax liabilities (Notes 4 and 24)	14,722	1	40,415	1
Lease liabilities - current (Notes 4 and 13)	758	-	124	-
Current portion of bonds payable (Notes 4 and 17)	154,737	4	161,982	4
Other current liabilities (Notes 4 and 18)	12,102	-	13,118	1
Total current liabilities	779,529	19	555,897	14
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	772,436	18	763,946	20
Provision - non-current (Notes 4 and 19)	1,606	-	1,816	-
Deferred tax liabilities (Notes 4 and 24)	36,055	1	35,983	1
Lease liabilities - non-current (Notes 4 and 13)	128	-	-	-
Total non-current liabilities	810,225	19	801,745	21
Total liabilities	1,589,754	38	1,357,642	35
EQUITY (Notes 4 and 21)				
Share capital				
Ordinary shares	590,909	14	589,978	15
Capital collected in advance	472	-	-	-
Total share capital	591,381	14	589,978	15
Capital surplus	652,028	15	753,628	19
Retained earnings				
Legal reserve	498,021	12	442,504	12
Special reserve	87,295	2	118,821	3
Unappropriated earnings	920,455	22	698,718	18
Total retained earnings	1,505,771	36	1,260,043	33
Other equity	(139,327)	(3)	(87,295)	(2)
Total equity	2,609,853	62	2,516,354	65
TOTAL	\$ 4,199,607	100	\$ 3,873,996	100

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

# ALLTOP TECHNOLOGY CO., LTD.

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	\$ 1,219,117	100	\$ 1,333,493	100
OPERATING COSTS (Notes 10, 23 and 29)				
Cost of goods sold	<u>(799,224)</u>	<u>(66)</u>	<u>(828,425)</u>	<u>(62)</u>
GROSS PROFIT	<u>419,893</u>	<u>34</u>	<u>505,068</u>	<u>38</u>
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	(79,413)	(6)	(81,601)	(6)
General and administrative expenses	(145,167)	(12)	(133,607)	(10)
Research and development expenses	(27,679)	(2)	(34,879)	(3)
Expected credit (loss) gain (Notes 4 and 9)	<u>(7,105)</u>	<u>(1)</u>	<u>491</u>	<u>-</u>
Total operating expenses	<u>(259,364)</u>	<u>(21)</u>	<u>(249,596)</u>	<u>(19)</u>
PROFIT FROM OPERATIONS	<u>160,529</u>	<u>13</u>	<u>255,472</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 25)				
Interest income (Notes 4 and 23)	7,816	1	2,953	1
Other income (Notes 4 and 23)	653	-	2,356	-
Other gains and losses (Notes 4 and 23)	(9,991)	(1)	25,930	2
Finance costs (Notes 4, 17 and 23)	(12,162)	(1)	(11,203)	(1)
Share of profit or loss of subsidiaries accounted for using equity method (Note 4)	<u>579,471</u>	<u>47</u>	<u>342,330</u>	<u>26</u>
Total non-operating income and expenses	<u>565,787</u>	<u>46</u>	<u>362,366</u>	<u>28</u>
PROFIT BEFORE INCOME TAX	726,316	59	617,838	47
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(36,619)</u>	<u>(3)</u>	<u>(63,752)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>689,697</u>	<u>56</u>	<u>554,086</u>	<u>42</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	357	-	1,359	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(72)</u>	<u>-</u>	<u>(272)</u>	<u>-</u>
	<u>285</u>	<u>-</u>	<u>1,087</u>	<u>-</u>

(Continued)

# ALLTOP TECHNOLOGY CO., LTD.

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

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (65,040)	(5)	\$ 39,407	3
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>13,008</u>	<u>1</u>	<u>(7,881)</u>	<u>(1)</u>
	<u>(52,032)</u>	<u>(4)</u>	<u>31,526</u>	<u>2</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(51,747)</u>	<u>(4)</u>	<u>32,613</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 637,950</u>	<u>52</u>	<u>\$ 586,699</u>	<u>44</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 11.68</u>		<u>\$ 9.41</u>	
Diluted	<u>\$ 10.52</u>		<u>\$ 8.75</u>	

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

(Concluded)



ALLTOP TECHNOLOGY CO., LTD.

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

	Share Capital			Retained Earnings			Other Equity		Total Equity
	Ordinary Shares	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statement of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2022	\$ 582,224	\$ 2,853	\$ 802,178	\$ 378,207	\$ 108,988	\$ 741,905	\$ (118,821)	\$ -	\$ 2,497,534
Appropriation of 2021 earnings (Note 21)									
Legal reserve	-	-	-	64,297	-	(64,297)	-	-	-
Special reserve	-	-	-	-	9,833	(9,833)	-	-	-
Cash dividends	-	-	-	-	-	(524,230)	-	-	(524,230)
Equity component of convertible bonds (Notes 17 and 21)	-	-	46,024	-	-	-	-	-	46,024
Issuance of cash dividends from capital surplus (Note 21)	-	-	(128,717)	-	-	-	-	-	(128,717)
Convertible bonds converted to ordinary shares (Notes 17 and 21)	7,754	(2,853)	34,143	-	-	-	-	-	39,044
Net profit for the year ended December 31, 2022	-	-	-	-	-	554,086	-	-	554,086
Other comprehensive income for the year ended December 31, 2022, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,087</u>	<u>31,526</u>	<u>-</u>	<u>32,613</u>
Total comprehensive income (loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555,173</u>	<u>31,526</u>	<u>-</u>	<u>586,699</u>
BALANCE AT DECEMBER 31, 2022	589,978	-	753,628	442,504	118,821	698,718	(87,295)	-	2,516,354
Appropriation of 2022 earnings (Note 21)									
Legal reserve	-	-	-	55,517	-	(55,517)	-	-	-
Special reserve	-	-	-	-	(31,526)	31,526	-	-	-
Cash dividends	-	-	-	-	-	(444,254)	-	-	(444,254)
Issuance of cash dividends from capital surplus (Note 21)	-	-	(110,326)	-	-	-	-	-	(110,326)
Convertible bonds converted to ordinary shares (Notes 17 and 21)	931	472	8,726	-	-	-	-	-	10,129
Net profit for the year ended December 31, 2023	-	-	-	-	-	689,697	-	-	689,697
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285</u>	<u>(52,032)</u>	<u>-</u>	<u>(51,747)</u>
Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>689,982</u>	<u>(52,032)</u>	<u>-</u>	<u>637,950</u>
BALANCE AT DECEMBER 31, 2023	<u>\$ 590,909</u>	<u>\$ 472</u>	<u>\$ 652,028</u>	<u>\$ 498,021</u>	<u>\$ 87,295</u>	<u>\$ 920,455</u>	<u>\$ (139,327)</u>	<u>\$ -</u>	<u>\$ 2,609,853</u>

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

# ALLTOP TECHNOLOGY CO., LTD.

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

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 726,316	\$ 617,838
Adjustments for:		
Depreciation expenses	5,975	6,953
Amortization expenses	3,794	3,526
Expected credit loss recognized (reversed) on trade receivables	7,105	(491)
Net (gain) loss on fair value changes of financial instruments at fair value through profit or loss	(7,354)	18,305
Finance costs	12,162	11,203
Interest income	(7,816)	(2,953)
Share of profit of subsidiaries accounted for using equity method	(579,471)	(342,330)
Loss on disposal of property, plant and equipment	520	102
Write-downs of inventories	1,841	3,947
Net loss (gain) on foreign currency exchange	5,308	(13,113)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	(8,829)
Notes receivable	263	(252)
Trade receivables	(33,546)	255,142
Trade receivables from related parties	1,643	(524)
Other receivables	(217)	158
Inventories	(2,603)	27,544
Other current assets	520	228
Trade payables	(4,447)	(6,068)
Trade payables to related parties	141,042	115,261
Other payables	8,146	(10,080)
Provisions	(210)	(582)
Other current liabilities	(1,016)	(698)
Net defined benefit assets - non-current	(45)	(1,410)
Cash generated from operations	277,910	672,877
Interest paid	(702)	(1,008)
Income tax paid	(63,446)	(73,041)
Net cash generated from operating activities	<u>213,762</u>	<u>598,828</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment accounted for using equity method	(62,318)	-
Payments for property, plant and equipment	(4,271)	(2,466)
Proceeds from disposal of property, plant and equipment	288	15
Decrease in refundable deposits	-	2
Increase in other receivables from related parties	-	(590)
Decrease in other receivables from related parties	444	-
Payments for intangible assets	(3,160)	(1,947)
Interest received	<u>8,063</u>	<u>2,706</u>
Net cash used in investing activities	<u>(60,954)</u>	<u>(2,280)</u>

(Continued)

# ALLTOP TECHNOLOGY CO., LTD.

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

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 149,900	\$ 69,000
Repayments of short-term borrowings	(20,000)	(669,000)
Proceeds from issuance of convertible bonds	-	808,000
Repayment of the principal portion of lease liabilities	(746)	(733)
Dividends paid to owners of the company	(554,577)	(652,944)
Payments for transaction costs attributable to the issuance of debt instruments	<u>-</u>	<u>(5,158)</u>
Net cash used in financing activities	<u>(425,423)</u>	<u>(450,835)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>2,354</u>	<u>12,553</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(270,261)	158,266
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>322,337</u>	<u>164,071</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 52,076</u>	<u>\$ 322,337</u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Alltop Technology Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Alltop Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

For the year ended December 31, 2023, the consolidated revenue of the Group amounted to NT\$2,394,974 thousand. Among these, revenues from certain key customers, whose revenue growth rates exceed the change in consolidated revenue, are considered significant. Therefore, the occurrence of revenue recognition related to sales of these customers is listed as a key audit matter in the consolidated financial statements for the year ended December 31, 2023. Refer to Notes 4 (n) and 25 for the accounting policies and relevant disclosure information regarding revenue recognition.

The audit procedures for the key audit matter are the following:

1. We obtained an understanding of the Group's internal control and operating procedures for the sales cycle, designed corresponding audit procedures for revenue recognition and tested the effectiveness of the Group's internal control operations during sales transactions.
2. We performed substantive tests on sales revenue, selected samples from the Group's sales details, examined reconciliation data, invoices, shipping orders and confirmation documents from logistics companies. We also checked the recipient of fund transfers and the payment process, or employed other alternative audit procedures, to verify the occurrence of sales.

#### **Other Matter**

We have also audited the parent company only financial statements of Alltop Technology Co., Ltd. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Ho and Keng-His Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2024

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# ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
ASSETS	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,043,497	24	\$ 614,954	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	568	-
Financial assets at amortized cost - current (Notes 4, 8 and 9)	849,045	19	377,494	9
Notes receivable (Notes 4, 10 and 25)	68,487	2	63,603	2
Trade receivables (Notes 4, 10 and 25)	911,386	21	773,287	19
Trade receivables from related parties (Notes 4, 25 and 32)	10	-	2	-
Other receivables (Notes 4 and 10)	85,701	2	46,632	1
Other receivables from related parties (Notes 4 and 32)	4,509	-	4,690	-
Current tax assets (Notes 4 and 27)	3,682	-	2,152	-
Inventories (Notes 4 and 11)	161,549	4	158,722	4
Other current assets (Note 18)	<u>11,840</u>	<u>-</u>	<u>11,958</u>	<u>-</u>
Total current assets	<u>3,139,706</u>	<u>72</u>	<u>2,054,062</u>	<u>50</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at amortized cost - non-current (Notes 4, 8, 9 and 33)	314,840	7	1,089,833	27
Investment accounted for using equity method (Notes 4 and 13)	7,889	-	9,935	-
Property, plant and equipment (Notes 4, 14 and 32)	802,767	18	861,886	21
Right-of-use assets (Notes 4 and 15)	40,141	1	27,396	1
Goodwill (Notes 4 and 16)	3,867	-	3,868	-
Other intangible assets (Notes 4 and 17)	8,681	-	9,458	-
Deferred tax assets (Notes 4 and 27)	47,475	1	29,646	1
Net defined benefit assets - non-current (Notes 4 and 23)	3,412	-	3,010	-
Other non-current assets (Notes 4 and 18)	<u>22,268</u>	<u>1</u>	<u>6,970</u>	<u>-</u>
Total non-current assets	<u>1,251,340</u>	<u>28</u>	<u>2,042,002</u>	<u>50</u>
<b>TOTAL</b>	<u>\$ 4,391,046</u>	<u>100</u>	<u>\$ 4,096,064</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4 and 19)	\$ 129,900	3	\$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	1,120	-	9,040	-
Contract liabilities - current (Notes 4 and 25)	21,892	1	24,011	1
Trade payables	372,219	9	298,835	7
Trade payables to related parties (Note 32)	20,428	-	15,250	-
Other payables (Notes 21 and 29)	193,478	4	193,077	5
Other payables to related parties (Notes 29 and 32)	428	-	2,690	-
Current tax liabilities (Notes 4 and 27)	49,359	1	59,254	2
Lease liabilities - current (Notes 4 and 15)	5,916	-	124	-
Current portion of bonds payable (Notes 4 and 20)	154,737	4	161,982	4
Other current liabilities (Notes 4 and 21)	<u>12,127</u>	<u>-</u>	<u>13,160</u>	<u>-</u>
Total current liabilities	<u>961,604</u>	<u>22</u>	<u>777,423</u>	<u>19</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 20)	772,436	18	763,946	19
Provision - non-current (Notes 4 and 22)	1,606	-	1,816	-
Deferred tax liabilities (Notes 4 and 27)	36,055	1	35,983	1
Lease liabilities - non-current (Notes 4 and 15)	8,914	-	-	-
Guarantee deposits	<u>578</u>	<u>-</u>	<u>542</u>	<u>-</u>
Total non-current liabilities	<u>819,589</u>	<u>19</u>	<u>802,287</u>	<u>20</u>
Total liabilities	<u>1,781,193</u>	<u>41</u>	<u>1,579,710</u>	<u>39</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 24)</b>				
Share capital				
Ordinary shares	590,909	13	589,978	14
Capital collected in advance	<u>472</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total share capital	<u>591,381</u>	<u>13</u>	<u>589,978</u>	<u>14</u>
Capital surplus	<u>652,028</u>	<u>15</u>	<u>753,628</u>	<u>18</u>
Retained earnings				
Legal reserve	498,021	11	442,504	11
Special reserve	87,295	2	118,821	3
Unappropriated earnings	<u>920,455</u>	<u>21</u>	<u>698,718</u>	<u>17</u>
Total retained earnings	<u>1,505,771</u>	<u>34</u>	<u>1,260,043</u>	<u>31</u>
Other equity	<u>(139,327)</u>	<u>(3)</u>	<u>(87,295)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	<u>2,609,853</u>	<u>59</u>	<u>2,516,354</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 4,391,046</u>	<u>100</u>	<u>\$ 4,096,064</u>	<u>100</u>

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



# ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25, 32 and 38)				
Sales	\$ 2,394,974	100	\$ 2,309,878	100
OPERATING COSTS (Notes 11, 26 and 32)				
Cost of goods sold	<u>(1,166,083)</u>	<u>(49)</u>	<u>(1,238,252)</u>	<u>(54)</u>
GROSS PROFIT	<u>1,228,891</u>	<u>51</u>	<u>1,071,626</u>	<u>46</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	(131,782)	(5)	(128,276)	(5)
General and administrative expenses	(288,705)	(12)	(278,805)	(12)
Research and development expenses	(63,550)	(3)	(72,627)	(3)
Expected credit loss (Notes 4 and 10)	<u>(10,594)</u>	<u>-</u>	<u>(14,497)</u>	<u>(1)</u>
Total operating expenses	<u>(494,631)</u>	<u>(20)</u>	<u>(494,205)</u>	<u>(21)</u>
PROFIT FROM OPERATIONS	<u>734,260</u>	<u>31</u>	<u>577,421</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 26)	73,851	3	52,092	2
Other income (Notes 4, 26 and 32)	15,548	1	10,835	-
Other gains and losses (Notes 4 and 26)	(2,132)	-	37,055	2
Finance costs (Notes 4, 20 and 26)	(12,585)	(1)	(11,203)	-
Share of profit of associations (Notes 4 and 13)	<u>501</u>	<u>-</u>	<u>1,111</u>	<u>-</u>
Total non-operating income and expenses	<u>75,183</u>	<u>3</u>	<u>89,890</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	809,443	34	667,311	29
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(119,746)</u>	<u>(5)</u>	<u>(113,225)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>689,697</u>	<u>29</u>	<u>554,086</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 4, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	357	-	1,359	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(72)</u>	<u>-</u>	<u>(272)</u>	<u>-</u>
	<u>285</u>	<u>-</u>	<u>1,087</u>	<u>-</u>

(Continued)

# ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating of the financial statements of foreign operations	\$ (63,665)	(3)	\$ 39,942	2
Share of other comprehensive loss of associates accounted for using the equity method (Note 13)	(1,375)	-	(535)	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>13,008</u>	<u>1</u>	<u>(7,881)</u>	<u>(1)</u>
	<u>(52,032)</u>	<u>(2)</u>	<u>31,526</u>	<u>1</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(51,747)</u>	<u>(2)</u>	<u>32,613</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 637,950</u>	<u>27</u>	<u>\$ 586,699</u>	<u>25</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 11.68</u>		<u>\$ 9.41</u>	
Diluted	<u>\$ 10.52</u>		<u>\$ 8.75</u>	

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

(Concluded)

# ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owner of the Company						Other Equity	
	Share Capital			Retained Earnings			Exchange Differences on Translating of the Financial Statement of Foreign Operations	Total Equity
	Ordinary Shares	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2022	\$ 582,224	\$ 2,853	\$ 802,178	\$ 378,207	\$ 108,988	\$ 741,905	\$ (118,821)	\$ 2,497,534
Appropriation of 2021 earnings (Note 24)								
Legal reserve	-	-	-	64,297	-	(64,297)	-	-
Special reserve	-	-	-	-	9,833	(9,833)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(524,230)	-	(524,230)
Equity component of convertible bonds issued by the Company (Notes 20 and 24)	-	-	46,024	-	-	-	-	46,024
Cash dividends distributed by capital surplus (Note 24)	-	-	(128,717)	-	-	-	-	(128,717)
Convertible bonds converted to ordinary shares (Notes 20 and 24)	7,754	(2,853)	34,143	-	-	-	-	39,044
Net profit for the year ended December 31, 2022	-	-	-	-	-	554,086	-	554,086
Other comprehensive income for the year ended December 31, 2022, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,087</u>	<u>31,526</u>	<u>32,613</u>
Total comprehensive income for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555,173</u>	<u>31,526</u>	<u>586,699</u>
BALANCE AT DECEMBER 31, 2022	589,978	-	753,628	442,504	118,821	698,718	(87,295)	2,516,354
Appropriation of 2022 earnings (Note 24)								
Legal reserve	-	-	-	55,517	-	(55,517)	-	-
Special reserve	-	-	-	-	(31,526)	31,526	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(444,254)	-	(444,254)
Cash dividends distributed by capital surplus (Note 24)	-	-	(110,326)	-	-	-	-	(110,326)
Convertible bonds converted to ordinary shares (Notes 20 and 24)	931	472	8,726	-	-	-	-	10,129
Net profit for the year ended December 31, 2023	-	-	-	-	-	689,697	-	689,697
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285</u>	<u>(52,032)</u>	<u>(51,747)</u>
Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>689,982</u>	<u>(52,032)</u>	<u>637,950</u>
BALANCE AT DECEMBER 31, 2023	<u>\$ 590,909</u>	<u>\$ 472</u>	<u>\$ 652,028</u>	<u>\$ 498,021</u>	<u>\$ 87,295</u>	<u>\$ 920,455</u>	<u>\$ (139,327)</u>	<u>\$ 2,609,853</u>

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

# ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 809,443	\$ 667,311
Adjustments for:		
Depreciation expenses	146,398	166,914
Amortization expenses	4,001	3,743
Expected credit loss recognized on trade receivables	10,594	14,497
Net (gain) loss on fair value changes of financial instruments at fair value through profit or loss	(7,354)	29,160
Finance costs	12,585	11,203
Interest income	(73,851)	(52,092)
Share of profit of associates	(501)	(1,111)
Loss on disposal of property, plant and equipment	1,733	1,281
Write-down of inventories	32,545	26,805
Net loss (gain) on foreign currency exchange	7,344	(15,182)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	(19,684)
Notes receivable	(8,849)	(21,212)
Trade receivables	(171,871)	236,814
Trade receivables from related parties	(8)	203
Other receivables	(168)	217
Inventories	(37,638)	39,200
Other current assets	(613)	5,123
Contract liabilities	(1,752)	10,502
Trade payables	80,027	(104,767)
Trade payables to related parties	5,526	(7,860)
Other payables	5,491	(15,993)
Provisions	(210)	(582)
Other current liabilities	(1,033)	(713)
Net defined benefit assets - non-current	(45)	(1,410)
Cash generated from operations	811,794	972,367
Interest paid	(1,125)	(1,008)
Income tax paid	(135,664)	(125,735)
Net cash generated from operating activities	<u>675,005</u>	<u>845,624</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(804,531)	(1,324,438)
Proceeds from sale of financial assets at amortized cost	1,089,537	1,365,564
Payments for property, plant and equipment	(99,985)	(100,842)
Proceeds from disposal of property, plant and equipment	717	43
Increase in refundable deposits	(3,053)	(28)
Decrease in refundable deposits	20	-
Decrease in other receivables from related parties	172	98
Payments for intangible assets	(3,330)	(2,188)

(Continued)

# ALLTOP TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2023	2022
Increase in prepayments for equipment	\$ (17,745)	\$ (5,621)
Interest received	33,522	22,195
Dividends received from associates	<u>1,180</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>196,504</u>	<u>(45,217)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	149,900	69,000
Repayments of short-term borrowings	(20,000)	(669,000)
Proceeds from issuance of convertible bonds	-	808,000
Proceeds from guarantee deposits received	46	-
Repayment of the principal portion of lease liabilities	(2,625)	(733)
Dividends paid to owners of the Company	(554,577)	(652,944)
Payments for transaction costs attributable to the issuance of debt instruments	<u>-</u>	<u>(5,158)</u>
Net cash used in financing activities	<u>(427,256)</u>	<u>(450,835)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>(15,710)</u>	<u>19,851</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	428,543	369,423
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>614,954</u>	<u>245,531</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 1,043,497</u>	<u>\$ 614,954</u>

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

(Concluded)

**ALLTOP TECHNOLOGY CO., LTD.****Comparison Table for Partial Articles of “Rules of Procedure for Board of Directors Meetings” before and after Amendment**

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Additional Note</b>
<p>Article 1</p> <p>To establish a strong governance system and sound supervisory capabilities for ALLTOP board of directors and to strengthen management capabilities, these Rules are adopted pursuant to <u>Article 2</u> of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>	<p>Article 1</p> <p>To establish a strong governance system and sound supervisory capabilities for ALLTOP board of directors and to strengthen management capabilities, these Rules are adopted pursuant to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>	Added reference number.
<p>Article 3</p> <p>The first three items are omitted.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>Article 3</p> <p>The first three items are omitted.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reason.</u></p>	Amended in accordance with Article 3, Item 4, of the Procedures for the Board of Directors of Publicly Offering Companies.
<p>Article 7</p> <p>Board meetings <u>will convene and chair</u> by the chairman of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p><u>According to the provisions of Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act, if the board of directors is convened by more than half of the directors, one person shall be elected by the directors to serve as chairman.</u></p> <p>When the chairman of the board</p>	<p>Article 7</p> <p>Board meetings <u>shall be</u> convened and chaired by the chairman of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>When the chairman of the board</p>	<p>The first item is in line with the amendment and adjustment of the text in Article 10 of the procedures for the board of directors of a publicly listed company. In conjunction with the amendments to Article 203, Paragraph 4 and Article 203-1 of the Company Act, Paragraph 2 is adjusted and added to Paragraph 2 to clearly stipulate that when the board of directors is convened by more than half of the directors (including the first meeting of the board of directors of each session) When the meeting is convened by more than half of the elected directors), the directors shall</p>

After Amendment	Before Amendment	Additional Note
<p>is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairman, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairman, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>nominate one person from each other to serve as the chairman. The third item is adjusted according to the item.</p>
<p>Article 8 When a board meeting is held, <u>the discussion unit</u> responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.</p> <p><u>When necessary, certified public accountants, attorneys, or other professionals retained by ALLTOP may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.</u></p> <p>The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>at same day</u>, provided that no more than two such</p>	<p>Article 8 When a board meeting is held, <u>the designated unit</u> responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. <u>When necessary, certified public accountants, attorneys, or other professionals retained by ALLTOP may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.</u></p> <p>The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements</p>	<p>The original second item becomes the second and third items. The following items will be adjusted accordingly and the text will be revised as appropriate.</p>

After Amendment	Before Amendment	Additional Note
<p>postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, <u>paragraph 2</u>.</p> <p>Omitted below.</p>	<p>may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3.</p> <p>Omitted below.</p>	
<p>Article 9</p> <p>The first two items are omitted.</p> <p>Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the <u>minutes of proceeding</u> and shall be retained for the duration of the existence of ALLTOP.</p>	<p>Article 9</p> <p>The first two items are omitted.</p> <p>Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of ALLTOP.</p>	<p>Adjust the text as appropriate.</p>
<p>Article 11</p> <p>A board meeting shall follow the <u>agenda</u> given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The second item is omitted.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph <u>3</u> shall apply mutatis mutandis.</p> <p><u>If the chairman of the board of directors is unable to preside over the meeting for some reason or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 2, the provisions of paragraph 3 of Article 7 shall apply mutatis mutandis to the selection and appointment of his agent.</u></p>	<p>Article 11</p> <p>A board meeting shall follow the <u>content</u> given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The second item is omitted.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph <u>5</u> shall apply mutatis mutandis.</p>	<p>Adjust text and items as appropriate.</p>
<p>Article 12</p> <p>The matters listed below as they relate to ALLTOP shall be raised for discussion at a board meeting: Paragraphs 1 to 5 are omitted.</p> <p><u>6.The election or dismissal of the chairman of the board of directors if there is no managing director.</u></p>	<p>Article 12</p> <p>The matters listed below as they relate to ALLTOP shall be raised for discussion at a board meeting: Paragraphs 1 to 5 are omitted.</p>	<p>Amended in accordance with Article 7, Item 1, of the Procedures for the Board of Directors of Publicly Offering Companies.</p>



After Amendment	Before Amendment	Additional Note
<p><u>7.</u>The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><u>8.</u>A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>9.</u> Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.) Omitted below.</p>	<p><u>6.</u>The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><u>7.</u>A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>8.</u> Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.) Omitted below.</p>	
<p>Article 13</p> <p>When the chair <u>at a board meeting</u> is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.</p> <p>When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry</p>	<p>Article 13</p> <p>When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.</p> <p>When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry</p>	<p>Adjust the text as appropriate.</p>

After Amendment	Before Amendment	Additional Note
<p>by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.</p> <p>Omitted below.</p>	<p>by the chair, the proposal will be deemed approved. <u>Its effect is the same as that passed by voting.</u> If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.</p> <p>Omitted below.</p>	
<p>Article 15 The first item is omitted.</p> <p><u>If a director's spouse, second degree of consanguinity, or a company that has a controlling or subordinate relationship with the director has an interest in the matter of the preceding meeting, the director will be deemed to have an interest in the matter.</u></p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph <u>4</u> of the same Act.</p>	<p>Article 15 The first item is omitted.</p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph <u>3</u> of the same Act.</p>	<p>Amended in accordance with Article 16, Item 2, of the Procedures for the Board of Directors of Publicly Offering Companies.</p>
<p>Article 16 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below: Paragraphs 1 to 6 are omitted.</p> <p>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph <u>4</u>.</p>	<p>Article 16 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below: Paragraphs 1 to 6 are omitted.</p> <p>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph <u>2</u>.</p>	<p>Adjust text and items as appropriate.</p>

After Amendment	Before Amendment	Additional Note
Omitted below.	Omitted below.	
<p>Article 17</p> <p>With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints <u>a party</u> to exercise the powers of the board in accordance with applicable laws and regulations or ALLTOP articles of incorporation, <u>the levels of such delegation and the content or matters it covers shall be definite and specific, and carried out in accordance with the principles below:</u></p> <p>Omitted below.</p>	<p>Article 17</p> <p>With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints <u>Chairman</u> to exercise the powers of the board in accordance with applicable laws and regulations or ALLTOP articles of incorporation:</p> <p>Omitted below.</p>	Adjust the text as appropriate.
<p>Article 19</p> <p>These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. <u>The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.</u></p>	<p>Article 19</p> <p>These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting.</p>	Adjust the text as appropriate.

## ALLTOP TECHNOLOGY CO., LTD.

## Comparison Table for Partial Articles of "Articles of Incorporation" before and after Amendment

After Amendment	Before Amendment	Additional Note
<p>Article 17:</p> <p>The Company shall have seven (7) to eleven (11) directors to be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of three years. All directors shall be eligible for re-election. For the number of directors of the Company, the directors shall include not less than three (3) independent director members, and not less than one-third of the director seats shall be held by independent directors.</p> <p>Omitted below.</p>	<p>Article 17:</p> <p>The Company shall have seven (7) to eleven (11) directors to be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of three years. All directors shall be eligible for re-election. For the number of directors of the Company, the directors shall include not less than three (3) independent director members, and not less than one-fifth of the director seats shall be held by independent directors.</p> <p>Omitted below.</p>	<p>This article is revised in accordance with Article 4, Item 3, of "Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies" issued by the TPEx on September 1, 2023.</p>
<p>Article 26:</p> <p>If there is a profit after closing of accounts, the Company shall first make up the losses for the preceding years, and then set aside a legal reserve of ten percent (10%) of the profit. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may, under its regulations, set aside another sum as special reserve or make reversals thereof; if there are earnings, the Company may distribute in priority the dividend distributable for the preferred shares in the current year; if there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the Board of Directors. <u>When this is done by issuing new shares, distribution should be made after a shareholders' meeting resolution. When distributing cash, in accordance with the provisions of Article 240, Paragraph 5 of the Company Act, the board of directors is</u></p>	<p>Article 26:</p> <p>If there is a profit after closing of accounts, the Company shall first make up the losses for the preceding years, and then set aside a legal reserve of ten percent (10%) of the profit. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may, under its regulations, set aside another sum as special reserve or make reversals thereof; if there are earnings, the Company may distribute in priority the dividend distributable for the preferred shares in the current year; if there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the Board of Directors and <u>submit to the shareholders' meeting for resolution and distribution.</u></p>	<p>A company that publicly issues stocks in accordance with Paragraph 5 of Article 240 of the Company Act may authorize the board of directors in its articles of association to allocate all or part of the dividends and bonuses that should be distributed, with the presence of more than two-thirds of the directors and the resolution of more than half of the directors present. This will be done by distributing cash and reported to the shareholders' meeting. This article is therefore revised.</p>

After Amendment	Before Amendment	Additional Note
<u>authorized to make distributions after more than two-thirds of the directors are present and a resolution passed by more than half of the directors is present, and reported to the shareholders' meeting.</u> Omitted below.	Omitted below.	
Article 26-1: <u>The company may, with more than two-thirds of the directors present and a resolution passed by more than half of the directors present, allocate all or one of the statutory surplus reserves and capital reserves stipulated in Paragraph 1 of Article 241 of the Company Act. If it is done by distributing cash, it should be reported to the shareholders' meeting; if it is done by issuing new shares, it should be submitted to the shareholders' meeting for resolution before distribution.</u>	None	1. This article is new. 2. If the company has no losses in accordance with Paragraph 1 of Article 241 of the Company Act, all or part of the statutory surplus reserve and capital reserve may be distributed to shareholders in proportion to their original shares in accordance with the method determined by the resolution of the shareholders' meeting. New shares or cash, and in accordance with the provisions of Article 241, Item 2 of the Company Act, Article 240, Item 5 shall apply mutatis mutandis, and this article shall be added.
Article 29: The front items are omitted. <u>The 18<sup>th</sup> Amendment was made on June 19, 2024.</u>	Article 29: The front items are omitted.	

## X. Appendices

Appendix 1

### **ALLTOP TECHNOLOGY CO., LTD. Articles of Incorporation (before amended)**

#### Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and registered under the business name of “凡甲科技股份有限公司 (ALLTOP TECHNOLOGY CO., LTD.)”.

Article 2: The Company's scope of services is set out hereunder:

- 1.F106030 Wholesale of Die.
- 2.F113010 Wholesale of Machinery.
- 3.F113020 Wholesale of Household Appliance.
- 4.F118010 Wholesale of Computer Software.
- 5.F119010 Wholesale of Electronic Materials.
- 6.F106010 Wholesale of Hardware.
- 7.I599990 Other Designing.
- 8.CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
- 9.I301010 Software Design Services.
- 10.F213030 Retail Sale of Computers and Clerical Machinery Equipment.
- 11.F213040 Retail Sale of Precision Instruments.
- 12.F213060 Retail Sale of Telecommunication Apparatus.
- 13.E605010 Computer Equipment Installation.
- 14.E701010 Telecommunications Construction.
- 15.F113050 Wholesale of Computers and Clerical Machinery Equipment.
- 16.F218010 Retail Sale of Computer Software.
- 17.F219010 Retail Sale of Electronic Materials.
- 18.F401010 International Trade.
- 19.F113070 Wholesale of Telecommunication Apparatus.
- 20.F113030 Wholesale of Precision Instruments.
- 21.CC01070 Telecommunication Equipment and Apparatus Manufacturing.
- 22.CC01080 Electronics Components Manufacturing.
- 23.CE01010 General Instrument Manufacturing.
- 24.CC01060 Wired Communication Equipment and Apparatus Manufacturing.
- 25.CC01110 Computer and Peripheral Equipment Manufacturing.
- 26.CC01120 Data Storage Media Manufacturing and Duplicating.
- 27.CQ01010 Die Manufacturing.
28. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall have its head office in New Taipei City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 4: Announcements of the Company are made pursuant to the Company Act and regulations of competent authorities.

Article 5: The Company may make re-investments to the external as the needs of the business may require, and may be a shareholder of unlimited liability in another company following resolutions by the Board of Directors. The total amount of such investments is not restricted by regulations provided for in Article 13 of the Company Act.

Article 6: The Company may make endorsements and guarantees externally as the needs of the business may require.

## Chapter 2 Shares

Article 7: The total amount of the Company's capital is NT\$ ONE BILLION AND TWO HUNDRED MILLION (1,200,000,000) only, which is divided into ONE HUNDRED AND TWO MILLION (120,000,000) shares, with a value per share of NT\$ TEN (10), with the unissued shares to be issued as ordinary or preferred shares by installments by the Board of Directors under authorization. The Company has also set aside from the aforesaid capital NT\$ TWENTY MILLION (20,000,000) for the issuance of employee stock options, preferred shares with warrants or equity warrant bonds subscriptions at TWO MILLION (2,000,000) shares, with a value per share of NT\$ TEN (10), with the unissued shares to be issued by installments by the Board of Directors. The Company may be exempted from printing any share certificate for the shares issued, and shall register the issued shares with a centralized securities depository enterprise.

Article 7-1: Deleted.

Article 8: The rights, obligations and other important issuance terms of preferred shares are as follows:

1. If there is a profit after tax in after closing of accounts, the Company shall first make up the losses for the preceding years, and then set aside a legal reserve of the net profit. Aside from the aforesaid legal reserve, the Company may, under its regulations, set aside another sum as special reserve or make reversals thereof; if there are still earnings after the aforesaid distribution, the Company may distribute in priority the dividend distributable for the preferred shares in the current year.
2. The dividend rate of preferred shares is capped at eight percent (8%) per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Board of Directors under authorization may set the exdividend date for payments of dividends for the previous fiscal year following ratification of financial statements in the regular shareholders' meeting each year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the preferred shares remained outstanding in that year.
3. The Company has sole discretion on the distribution of preferred share dividends. If there is no profit or insufficient profit for distributing dividends of preferred shares in the fiscal year, the Company may decide not to distribute preferred share dividends by resolution, and the shareholder of preferred shares does not hold the right to object. Preferred shares are non-cumulative shares. If the Company decide not to distribute preferred share dividends or to distribute insufficient dividend, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are profits.

4. Except as the receipt of dividends set forth in subparagraph 2 herein, shareholders of the preferred share are not entitled to distribution of profits and capital reserves in cash or capitalized portion in relation to common stock.
5. The shareholders of preferred shares and shareholders of ordinary shares have the same pre-emptive rights to the Company's newly issued shares for cash.
6. The priority of shareholders of this preferred share is higher than shareholders of ordinary share in distribution of the remaining properties of the Company, and the shareholders of various preferred share issued by the Company are of identical compensation order and are preceded by general creditors; however, the amount shall be limited to the values as calculated by issuance price of the issued and outstanding preferred shares upon distribution.
7. Shareholders of preferred share are not granted voting rights or number of votes exercisable in elections; however, they may be elected as directors of the Company; they are granted voting rights in the special shareholders' meetings or the regular shareholders' meetings in which the proposals involve rights and obligations of a shareholder of preferred share.
8. Where the preferred share issued by the Company is convertible may not be converted within one (1) year from the date of issuance. The Board of Directors under authorization may adopt the conversion period(s) in the actual issuance condition(s) of preferred shares. Shareholders of the convertible preferred shares may apply for conversion of part or all of preferred shares held by the rate of one (1) preferred share to one (1) ordinary share (conversion ratio 1:1). The rights and obligations for owners of ordinary shares shall apply to those of the ordinary shares converted from the convertible preferred shares. The distribution of dividends in the year the preferred shares is converted is based on the proportion of actual outstanding days of the year to number of days of the year. Shareholders converting their convertible preferred shares to ordinary shares prior to record date for ex-right/dividend of dividend distribution are not entitled to preferred share dividend distribution on the year of distribution and dividend distributions from the following years, yet they are entitled to distributions of the profits from the ordinary shares and capital reserve in the current year.
9. The preferred share does not have a maturity date, and shareholders of this preferred share may not require the Company to redeem this preferred share at his/her possession; however, the Company may redeem all or part of this preferred share any time after five (5) years of issuance at the actual issuance price or in accordance with relevant issuance regulations. Rights and obligations under the issuance conditions as provided for in this Article remain effective to unredeemed portions of this preferred share until the shares are redeemed. In case the Company has resolved the dividend distribution for the year the redemption of preferred share is made, the dividend required to be distributed as of redemption date shall be calculated based on actual outstanding days for such shares in the year.
10. The Board of Directors is authorized to perform over-the-counter matters in relation to the preferred share and the converted common stocks in consideration of the Company status and market circumstances.

Name, issuance date and concrete issuance condition(s) and other relevant matters of this preferred share are adopted based on capital market circumstances and



subscription willingness by the investors and in accordance with these Articles of Incorporation and relevant laws and regulations by the Board of Directors under authorization upon issuance.

Article 9: Stocks of the Company are in form of registered shares, and the share certificates shall be affixed with the signatures or personal seals of the directors representing the Company, and shall be duly certified or authenticated by the attestation bank for the issuance of share certificates to certify shares under the laws before issuance thereof. The Company may print its share certificate in combined form following total number of shares in each issuance of new shares, and the Company shall entrust the centralized securities depository enterprise on depository affairs. The Company may, in response to requests of the centralized securities depository enterprise, perform a merger for reissuance of securities in larger denominations. The Company may be exempted from printing its share certificates for issued shares and securities, and shall register the issued shares with a centralized securities depository enterprise.

Article 10: Except as otherwise provided in laws and regulations or securities regulations, stock affairs of the Company stocks by shareholders of the Company shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

### Chapter 3 Shareholders' Meeting

Article 11: Shareholders' meetings of the Company are of two kinds, which shall be convened by the Board of Directors in accordance with relevant laws and regulations: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six (6) months after close of each fiscal year. Special meeting of shareholders are held when necessary. A meeting for the shareholders of preferred shares may be convened in accordance with relevant laws and regulations when deemed necessary.

Transfer of shares will not be altered within sixty (60) days prior to the convening date of a regular shareholders' meeting, or within thirty (30) days prior to the convening date of a special shareholders' meeting, or within five (5) days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Article 11-1: The Company's shareholders' meeting can be held by means of visual communication network or other methods announced by the Ministry of Economic Affairs.

Article 12: Where a shareholder is unable to attend a shareholders' meeting in person, the shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney issued by the Company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed three percent (3%) of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

The written proxy as referred to in the preceding paragraph shall be served to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two (2) or more written proxies are received from one shareholder, the first one received by the company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

- Article 13: Except in the non-voting rights otherwise provided for in relevant laws and regulations, a shareholder of the Company shall have one voting power in respect of each share in his/her/its possession.
- Article 14: Resolutions at a shareholders' meeting shall, unless otherwise provided for in relevant laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. Shareholders of the Company may exercise his/her/its voting power by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. Relevant affairs shall be handled in accordance with applicable laws and regulations.
- Article 15: The Company's shareholders' meetings shall be convened by the Board of Directors and chaired by the Chairman. When the Chairman is unable to exercise the powers of the chair, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. Whereas for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 16: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected via public disclosure by entering such information into the Market Observation Post System.
- Article 16-1 Revocation of the Company's public offering shall be made following approval by the Board of Directors before submitting to a shareholders' meeting for resolution. Such revocation shall be made in accordance with the Company Act and relevant laws and regulations.
- Article 16-2: Except as otherwise provided for in the applicable laws and regulations, a shareholders' meeting may resolve the following matters:
1. Adoption of and amendment to the Company's Articles of Incorporation;
  2. Election of directors;
  3. Ratification of statements prepared by the Board of Directors, reports by the Audit Committee, and proposals of profits distribution or making up of losses;
  4. Resolutions on decrease of capital; and
- Other important matters and matters required to be resolved by a shareholders' meeting pursuant to applicable laws and regulations.

#### Chapter 4 Directors and Audit Committee

- Article 17: The Company shall have seven (7) to eleven (11) directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All directors shall be eligible for re-election. For the number of directors of the Company, the directors shall include not less than three (3) independent director members, and not less than one-fifth of the director seats shall be held by independent directors.

A nomination system is adopted in the Company's election of directors, with non-independent and independent nominated respectively and elected at the same time in a shareholders' meeting. The number of said directors shall be calculated separately.

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 17-1: Where the Company establishes its Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act, the appointment of supervisors shall not apply.

Provisions on supervisors under the Securities and Exchange Act, the Company Act and other laws shall apply to the Audit Committee *mutatis mutandis*.

The Audit Committee shall be composed of the entire number of independent directors. Number or Audit Committee members, terms of office, authorities, and rules of procedure for its meetings shall be performed in accordance with organizational charter for the Audit Committee otherwise adopted pursuant to applicable laws and regulations.

Article 17-2: Deleted.

Article 18: In case the directors of the Company establish the Board of Directors, they shall elect a chairman of the Board from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall externally represent the Company. In case the Chairman of is on leave or absent or can not exercise his power and authority for any cause, the director to act on his behalf shall be designated in accordance with Article 208 of the Company Act.

Article 19: The compensation of all directors for acting duties for the Company shall be given regardless of business profit or loss. The Board of Directors is authorized to determine the amount of compensation to the directors of the Company based on the directors' level of operational participation as well as value of the contribution, with reference to the peer payment level. If there is a profit, the distribution of remuneration shall be done following Article 25 hereof.

The Company may, with assignments to the Board of Directors under authorization, obtain liability insurance for all directors with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 20: When the number of directors falls short by one third (1/3) of the total number or all independent directors have been dismissed, the Board of Directors shall call a special shareholders' meeting within sixty (60) days from the date of occurrence to hold a by-election to fill the vacancies, whose terms of office are limited to the unexpired term of office of the predecessor.

Article 21: A director unable to attend the meeting in person may appoint another director to attend the meeting as his/her proxy.

Article 22: Except as otherwise stated in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

Article 22-1: Deleted.

Article 22-2: Duties of the Board of Directors are as follows:

1. Approval of the Company's business guidelines and planning.
2. Approval of the Company's budget(s) and review of the Company's final account(s).
3. Approval of the Company's organizational charter.

4. Approval of the Company's important regulations.
5. Drafting of increase/decrease to the Company's capital and approval of stock issuance.
6. Drafting of the Company's profits distribution or proposal for making up of losses.
7. Resolutions for issuance of the Company's corporate bonds.
8. Resolutions for plans to repurchase the Company's shares.
9. Appointment and discharge of the Company's managerial personnel (incl. internal audit supervisors).
10. Approval of acquisition or disposal of important assets,
11. Decisions made in the Company's regular or special shareholders' meetings.
12. Appointment of directors and supervisors of subsidiaries of the Company.
13. Other matters provided for by laws and regulations or under authorization of the shareholders' meeting.

Article 22-3: Deleted.

Article 22-4: The Board of Directors of the Company shall convene its meetings at least once every quarter. For the convening of the Board of Directors, the reasons for calling a Board of Directors meeting shall be notified to each director seven (7) days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The above notice in respect of convening the meeting may be done by facsimile (fax) or by electronic mail (E-mail) in lieu of writing.

#### Chapter 5 Managerial Officer

Article 23: The Company may have managers, whose appointment, discharge and compensation shall be handled in accordance with Article 29 of the Company Act.

#### Chapter 6 Accounting

Article 24: After the close of each fiscal year, the following reports and statements shall be prepared by the Board of Directors, and shall be submitted to the regular meeting of shareholders for ratification:

1. Report on Operations.
2. Financial Statements.
3. Proposals Concerning Appropriation of Net Profits of Making Up.

Article 25: If there is profit at the end of each fiscal year, a ratio between four percent (4%) and ten percent (10%) as Employees' Remuneration shall be distributed in form of share or cash following resolutions by the Board. Employees entitled to receive such Remunerations may including the employees of subsidiaries of the Company meeting certain specific requirement; and a ratio no more than two percent (2%) as Directors' Remuneration from the aforesaid profit may be distributed by the Board. However, the Company's accumulated losses shall have been covered first before any distribution based on the said percentages.

Article 26: If there is a profit after closing of accounts, the Company shall first make up the losses for the preceding years, and then set aside a legal reserve of ten percent (10%) of the profit. Where such legal reserve amounts are to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may, under its regulations, set aside another sum as special reserve or make reversals

thereof; if there are earnings, the Company may distribute in priority the dividend distributable for the preferred shares in the current year; if there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the Board of Directors and submit to the shareholders' meeting for resolution and distribution.

The Company's dividend policy, in cooperation with future development plans of the Company and in consideration of investment circumstances, needs for funds and domestic and oversea competitions as well as shareholders' equity, stipulates that a portion no less than fifty percent (50%) of the surplus as shareholders' dividends and bonuses to be distributed in form of cash or stock, among which such dividends and bonuses paid in cash shall not be less than ten percent (10%) of such distribution.

## Chapter 7 Additions

Article 27: In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other relevant laws and regulations shall govern.

Article 28: Organizational charters and additional regulations of the Company shall be adopted otherwise by the Board of Directors.

Article 29: These Articles of Incorporation are agreed to and signed on October 27, 1998.

The 1<sup>st</sup> Amendment was made on August 5, 1999.

The 2<sup>nd</sup> Amendment was made on July 5, 2002.

The 3<sup>rd</sup> Amendment was made on May 5, 2003.

The 4<sup>th</sup> Amendment was made on July 1, 2003.

The 5<sup>th</sup> Amendment was made on October 8, 2004.

The 6<sup>th</sup> Amendment was made on June 22, 2005.

The 7<sup>th</sup> Amendment was made on June 1, 2006.

The 8<sup>th</sup> Amendment was made on May 15, 2007.

The 9<sup>th</sup> Amendment was made on June 13, 2008.

The 10<sup>th</sup> Amendment was made on May 15, 2009.

The 11<sup>th</sup> Amendment was made on May 27, 2010.

The 12<sup>th</sup> Amendment was made on June 27, 2012.

The 13<sup>th</sup> Amendment was made on June 16, 2016.

The 14<sup>th</sup> Amendment was made on June 21, 2019.

The 15<sup>th</sup> Amendment was made on June 19, 2020.

The 16<sup>th</sup> Amendment was made on July 5, 2021.

The 17<sup>th</sup> Amendment was made on June 23, 2022.

ALLTOP TECHNOLOGY CO., LTD.

Chairman: Yu Wan Yi

**ALLTOP TECHNOLOGY CO., LTD.**  
**Rules of Procedure for Shareholders Meetings**

- Article 1: To establish a strong governance system and sound supervisory capabilities for ALLTOP's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
- Article 2: The rules of procedures for ALLTOP's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3: Unless otherwise provided by law or regulation, ALLTOP's shareholders meetings shall be convened by the board of directors.  
Changes to how ALLTOP convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.  
ALLTOP shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. ALLTOP shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, ALLTOP has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, ALLTOP shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at ALLTOP and the professional shareholder services agent designated thereby.  
ALLTOP shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

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

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of ALLTOP, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to ALLTOP a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging ALLTOP to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, ALLTOP shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

at the regular shareholders meeting and take part in discussion of the proposal.

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

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

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

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

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

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

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

Article 6: ALLTOP shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable



personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. ALLTOP 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.

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

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

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

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

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

Article 6-1: To convene a virtual shareholders meeting, ALLTOP shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting

shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

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

Article 7: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

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

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

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

Article 8: ALLTOP, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

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

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

The information and audio and video recording in the preceding paragraph shall be properly kept by ALLTOP 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: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, ALLTOP shall also declare the meeting adjourned at the virtual meeting platform.

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

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

Article 10: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

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

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

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

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

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting

platform from the chairperson declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

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

Article 12: Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

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

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

When ALLTOP holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that ALLTOP avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to ALLTOP before two days before the date of the

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

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

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

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

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

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

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

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

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

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

Article 14: The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by ALLTOP, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

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

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

ALLTOP may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

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

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 chairperson's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other

force majeure events, and how issues are dealt with shall also be included in the minutes.

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

Article 16: On the day of a shareholders meeting, ALLTOP shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, ALLTOP shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

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

Article 17: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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

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

Article 18: When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.



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

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

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

Article 20: When ALLTOP convenes a virtual-only shareholders meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article 21: In the event of a virtual shareholders meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

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

During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for

proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

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

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

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

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

Article 22: When convening a virtual-only shareholders meeting, ALLTOP shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

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

Article 24: These Rules are agreed to and signed on June 27, 2012.

The 1st Amendment was on June 17, 2013.

The 2nd Amendment was on June 10, 2015.

The 3rd Amendment was on June 23, 2022.

## **ALLTOP TECHNOLOGY CO., LTD.**

### **Procedures for Election of Directors**

#### **Article 1**

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

#### **Article 2**

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

#### **Article 3**

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

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

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

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

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of ALLTOP shall consider adjusting its composition based on the results of performance evaluation.

#### **Article 4**

The qualifications for the independent directors of ALLTOP shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of ALLTOP shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the

#### Article 5

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

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

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

#### Article 6

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

#### Article 7

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

#### Article 8

The number of directors will be as specified in ALLTOP's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

#### Article 9

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

#### Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.

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

#### Article 11

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

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

#### Article 12

The board of directors of ALLTOP shall issue notifications to the persons elected as directors.

#### Article 13

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

#### Article 14

These Procedures are agreed to and signed on July 5, 2021.

# **ALLTOP TECHNOLOGY CO., LTD.** **Shareholding Status of the Directors**

- (1) The Company's paid-in capital is NT\$594,993,050, which is divided into 59,499,305 shares.
- (2) In accordance with Article 26 of the Securities and Exchange Act, the total registered shares owned by all directors shall not be fewer than 4,759,944 shares.
- (3) Shareholding by individual and all directors recorded on shareholder's roster as of book closure date (April 21, 2024) for this Regular Shareholders' Meeting is as follows:

April 21, 2024

Account No.	Title	Name	Shares Held	
			Shares	Shareholding Percentage
10330	Chairman	HoYuan Investment Co., Ltd. -Rep. Yu Wan Yi	938,026	1.58%
68424	Director	PanJit Int'l Inc. -Rep. Fang Min Zong	11,315,009	19.02%
405	Director	YanHua Investment Ltd. -Rep. Chang Yi Wei	2,026,000	3.40%
4832	Director	JuiTsan Investment Co., Ltd. -Rep. Chen Yuan Chen	904,882	1.52%
37797	Director	TaChinYen Co., LTD. -Rep. Tung Jen Yen	418,677	0.70%
68424	Director	PanJit Int'l Inc. -Rep. Chang Yao Yong	11,315,009	19.02%
29	Director	Lin Yueh Hsia	550,686 (note: Including the number of trust shares that retain the right to exercise decisions 202,585 shares)	0.93%
-	INED	Pu Tsun Ching	-	-
-	INED	Chiang Chih Fung	-	-
-	INED	Lu Lien Wan	-	-
Total Shares Held by All Directors			16,153,280	27.15%