

Stock Code : 5392



ABICO AVY CO., LTD.
2024 General Shareholders' Meeting
Meeting Handbook

Meeting Time: June 21, 2024
Place: 2F., No. 99, Fuxing N. Rd., Songshan Dist., Taipei City (Conference Center)
Form of Shareholders' Meeting: Physical

ABICO AVY CO., LTD.
(formerly known as AVY PRECISION TECHNOLOGY INC.)

2024 General Shareholders' Meeting
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I. Meeting Procedure

ABICO AVY CO., LTD.

(formerly known as AVY PRECISION TECHNOLOGY INC.)

Procedure of 2024 General Shareholders' Meeting

- 1. Call the Meeting to Order**
- 2. Chair's Remarks**
- 3. Reports**
- 4. Ratifications**
- 5. Discussions**
- 6. Elections**
- 7. Other Matters**
- 8. Questions and Motions**
- 9. Adjournment**

II. Meeting Agenda

ABICO AVY CO., LTD.

(formerly known as AVY PRECISION TECHNOLOGY INC.)

Agenda of 2024 General Shareholders' Meeting

Time and Date: 09:00 a.m. on June 21, 2024 (Friday)

**Venue: 2F., No. 99, Fuxing N. Rd., Songshan Dist., Taipei City
(Conference Center)**

Form of Shareholders' Meeting: Physical

**Call the Meeting to Order (to report the number of shares represented by
shareholders present)**

Chair's Remarks

1. Reports

Proposal 1: 2023 Business Report.

**Proposal 2: The Audit Committee's Review Report on the 2023
Financial Statements.**

**Proposal 3: Report on the distribution of 2023 remuneration to
employees and directors.**

Proposal 4: Report on Cash Dividend Distribution for 2023.

2. Ratifications

**Proposal 1: Ratification of the Company's 2023 business report and
financial statements.**

**Proposal 2: Ratification of the Company's 2023 earnings distribution
proposal.**

3. Discussion

Proposal 1: Amendment to the Articles of Incorporation

- 4. Election**
Proposal 1: The 11th Election of Directors
- 5. Other Matters**
Proposal 1: Proposal for Release of the Non-compete clause on new Directors and their representatives of the Company.
- 6. Questions and Motion**
- 7. Adjournment**

1. Reports

[Proposal 1]

Summary: The 2023 Business Report is submitted for review.

Description: Refer to Attachment I (pages 10 to 11) for the 2023 Business Report.

[Proposal 2]

Summary: The Audit Committee's Review Report on the 2023 Financial Statements is submitted for review.

Description: Refer to Attachment II (pages 12 to 13) for the 2023 Audit Committee's Review Report.

[Proposal 3]

Summary: Report on the distribution of 2023 remuneration to employees and directors.

Description: Pursuant to the Article 20 of the Company's Articles of Incorporation, the distribute remuneration to employees and director as follow:

- (1) Employees' remuneration as NT\$5,122,032**
- (2) Directors' remuneration as NT\$960,381**
- (3) The employees' remuneration and directors' remuneration are to be distributed in cash.**

[Proposal 4]

Summary: Report on the Company's Cash Dividend Distribution for 2023.

Description:

- (1) Pursuant to the Article 20 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve the distribution of dividends and bonuses in part or whole in cash and report to the Shareholders' Meeting.**
- (2) An amount of NTD 50,687,697 will be allocated for cash dividends from the distributable earnings derived from the accumulated**

distributable earnings of previous years. The dividend amount per share is approximately NTD 0.3, calculated to the nearest dollar and any fraction of a dollar less than one will be disregarded. The total amount of any remaining fractional dividends will be included in the Company's other income.

- (3) This proposal has been approved by the Board of Directors; the record date and other relevant matters will be separately determined. If due to the Company's repurchase, cash capital increase, or other factors causing the number of outstanding shares to change, and the dividend distribution ratio of changes accordingly, the Board of Directors authorizes the Chairman to adjust the dividend distribution ratio.**

2. Ratifications

[Proposal 1] (Proposed by the Board of Directors)

Summary: Adoption of the Company's 2023 business report and financial statements are submitted for ratification.

Description:

- (1) The Company's 2023 Business Report has been prepared and submitted to the Audit Committee for review and approved by the Board of Directors.**
- (2) Refer to Attachment I (pages 10 to 11) for the Business Report.**
- (3) The Company's 2023 standalone statements and consolidated financial statements have been audited by Ya-Hui Lin and Min-Chuan Feng, CPAs at PwC Taiwan, and submitted to the Audit Committee, which did not discover any inconsistency and issued a review report.**
- (4) Refer to Attachment III (pages 14 to 41) for the 2023 Independent Auditors' Report, balance sheets, statements of comprehensive income, statements of changes in equity, and statement of cash flows.**

Resolution:

[Proposal 2] (Proposed by the Board of Directors)

Summary: Adoption of the Company's 2023 earnings distribution proposal is submitted for ratification.

Description:

- (1) The Company's statement of earnings distribution has been submitted to the 2023 Audit Committee for review and approved by the Board of Directors.**
- (2) Refer to Attachment IV (page 42) for the statement of earnings distribution.**

Resolution:

3. Discussion

[Proposal 1] (Proposed by the Board of Directors)

Summary: Amendment to the Articles of Incorporation. Please proceed to discuss.

Description: In order to conform to the amendments to related the Financial-Supervisory-Securities-Corporate 1090150022, the company hereby proposes to amend the Corporate Charter. Refer to Attachment V (page 43-45) for the comparison table of amendments to the articles of incorporation.

Resolution:

4. Election

[Proposal 1] (Proposed by the Board of Directors)

Summary: The 11th Election of Directors.

Description:

- (1) The 9 directors (including 3 independent directors) of the 10th Board will be end on July 14th, 2024. Accordingly, the company proposes to duly elect new Board members at this year's Annual Meeting of Shareholders.**
- (2) The shareholders' meeting shall elect the 11th directors. Their three-year term will start from June 21st, 2024, and conclude on June 20th, 2027. The 10th director will dismiss after this year's Annual Meeting of shareholders.**
- (3) Pursuant to the Company's Procedures for Election of Directors for this election.**
- (4) Pursuant to the Article 13 of the Company's Articles of Incorporation, a total of directors (including 3 independent directors) shall be elected from the nomination list prepared by the company. Refer to Attachment VI (page 46-47) for the candidates list for directors.**
- (5) Please proceed with the election.**

Resolution:

5. Other Matters

[Proposal 1] (Proposed by the Board of Directors)

Summary: Release the non-compete clause on new Directors and their representatives of the Company.

Description:

- (1) Pursuant to Article 209 of Company Act 「 A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval. 」**
- (2) To leverage the expertise and relevant experience of the Company's Director, it is proposed to the shareholders' meeting to approve to release the non-compete clause on the newly appointed Director and its representatives of the company.**
- (3) The details of the nomination of Director proposed to submit to the shareholders' meeting for approval of the release the non-compete clause after being elected. Refer to Attachment VII (page 48-49).**

Resolution:

6. Questions and Motions

7. Adjournment

III. Attachment

Attachment I: Business Report

ABICO AVY CO., LTD.

2023 Business Report

First of all, thank you for attending this year's shareholders' meeting despite your busy schedule. I, on behalf of the Company, would like to express my greatest gratitude to all shareholders for your strong support and encouragement.

The 2023 operating performance and the 2024 business outlook are hereby reported as follows:

1. The 2023 operating performance:

2023 Unit: NT\$ thousand

Item	Consolidated	Standalone
Net operating revenue	9,420,948	39,365
Gross profit	1,528,632	34,446
Operating expenses	1,516,670	51,522
Operating income (loss)	11,962	(17,076)
Non-operating income and expenses, net	219,258	75,019
Income tax income (expense)	(113,439)	(1,991)
Net of tax	117,781	55,952

Note: All the data for the years above has been audited by CPAs.

2. Budget implementation: N/A.

3. Analysis of financial income and expenditure and profitability:

2023 Unit: NT\$ thousand

Item		Consolidated	Standalone
Financial income and expenditure	Operating revenue	9,420,948	39,365
	Gross profit	1,528,632	34,446
	Net income for this period	117,781	55,952
Profitability	Return on assets (%)	1.33	1.15
	Return on equity (%)	1.58	1.02

Item		Consolidated	Standalone
Profitability	Operating income to paid-in capital (%)	1.33	1.15
	Pre-tax income to paid-in capital (%)	1.58	1.02
	Profit margin	0.71	(1.01)
	Earnings per share - owners of parent company (NT\$)	13.68	3.43
Note: All the data for the years above has been audited by CPAs.			

4. Research and development:

In the component manufacturing industry, ABICO AVY will continue to apply the existing metal stamping and CNC, powder metallurgy, plastic injection and other production processes, reduce manpower requirements and improve production efficiency through automated production, and continue to expand the product scale and items in the automotive component market, providing customers with a one-stop integrated product content in the automotive electric market. In addition, with the global trend of net zero emissions by 2050, the Company has also invested resources in carbon reduction.

5. The 2024 business outlook:

Since the second half of 2023, the impact of the COVID-19 epidemic has gradually reduced, people's lives have returned to normal, supply chain problems have eased, and automotive product shipments have increased greatly. However, the economic situation in mainland China is still in a downturn. Therefore, the operating bases of the Group in various regions around the world have increased or decreased in response to the economic situation in various regions, but are still optimistic about the operation of 2024. At present, automotive components are still the main axis of the company's manufacturing business development. In response to the rise of automotive electrification, AI has become a rising star, and the development of self-driving functions is new Moon. Therefore, the company will continue to increase the company's profits in this direction, and strive for the maximum benefits for all shareholders. We hope that all shareholders and Cambodia will continue to benefit and support.

I wish you good health and all the best!

Chairman: Chun-Jen Tong
General Manager: Shiang-Chi Hu
Chief Accounting Officer: Hui-Chu Lee

Attachment II: Audit Committee's Review Report

**ABICO AVY CO., LTD.
Audit Committee's Review Report**

The Board of Directors prepared the Company's 2023 Business Report and standalone and consolidated financial statements, among which the financial statements have been audited by PwC Taiwan, by which an audit report has been issued.

We have reviewed the above Business Report and financial statements without identifying any inconsistency, so we have issued a report as above in accordance with Article 14-5 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

2024 General Shareholders' Meeting of ABICO AVY CO., LTD.

Convener of the Audit Committee: Jieh-Chen Wang

March 27, 2024

ABICO AVY CO., LTD.
Audit Committee's Review Report

We have reviewed the 2023 statement of earnings distribution prepared by the Board of Directors without identifying any inconsistency, so we have issued a report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To
2024 General Shareholders' Meeting of ABICO AVY CO., LTD.

Convener of the Audit Committee: Jieh-Chen Wang

May 10, 2024

Attachment III: Independent Auditors' Report and 2023 financial statements

Independent Auditors' Report

(113)-Cai-Sheng-Bao No. 23005243

To ABICO AVY Co., Ltd.,

Audit opinion

We have audited the accompanying parent company only balance sheets of ABICO AVY CO., LTD. (the "Company") for the years ended December 31, 2023 and 2022 and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements, based on our audit results and the audit report issued by other CPAs (please refer to the "Other matters" paragraph), present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022 and for the years then ended, and its parent company only financial performance and parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibility under those standards is further described in the paragraph "Auditor's responsibilities for the audit of the parent company only financial statements". We are independent of ABICO AVY CO., LTD. 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. Based on our audit results and other accountants' audit reports, we are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of ABICO AVY CO., LTD. for the year ended December 31, 2023, based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

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

Please refer to Note 4(12) to the parent company only financial statements for the accounting policy on the Company's investments using the equity method; please refer to Note 6(5) to the parent company only financial statements for the description of accounting titles. The subsidiaries directly or indirectly owned by the Company, namely Dong Guan Cheng Guang Metal Products Co., Ltd., Dong Guan Cheng Guang Precision Industry Co., Ltd., IKKA Holdings (Cayman) Ltd., Jabon International Co., Ltd., and ABICO NetCom Co., Ltd., are the main operating entities responsible for the manufacturing and sales in the Group. Said companies' financial position and financial performance bear a significant influence on the Company's parent company only financial statements. Therefore, we listed the valuation of said companies' investments using the equity method as one of the key audit matters and said companies' key audit matters: assessment of an allowance for inventory valuation loss and assessment of an allowance for losses on accounts receivable as one of the key audit matters. The key audit matters are specified below:

Assessment of expected credit loss on accounts receivable

Description

Dong Guan Cheng Guang Metal Products Co., Ltd.'s, Dong Guan Cheng Guang Precision Industry Co., Ltd.'s, IKKA Holdings (Cayman) Ltd.'s, Jabon International Co., Ltd.'s, and ABICO NetCom Co., Ltd.'s main clients are from Taiwan, mainland China, Hong Kong, Japan, Vietnam, and Malaysia. If the clients have significant financial difficulties or delay in payment or non-payment of principal, the risk of not being able to recover notes and accounts would increase. The companies assess if there is objective evidence of expected credit impairment of individual notes and accounts receivable on each balance sheet date. It assesses if such notes and accounts receivable are overdue or in default, their historical transaction records, the collection situation after the balance sheet date, clients' financial position, and forward-looking factors, to estimate the amount of an allowance for losses that should be set aside.

As the companies have a large amount of notes and accounts receivable and a large number of clients, and the assessment process of an allowance for losses on notes and accounts receivable often involves the management team's subjective judgment, it is also an area that

needs to be judged in the audit work, so we included the assessment of the allowance for loss on receivables as a key audit matter in this year's audit work.

Corresponding audit procedures

This matter covers different entities audited by us and other accountants. To assess the adequacy of an allowance for bad debts from overdue and individually risky notes and account receivable, the corresponding procedures undertaken by us and other accountants are specified below:

1. We obtained the overdue aging schedule used by the management in assessing the expected credit loss rate of accounts receivable, confirmed that the source logic of the data was consistently applied, and tested the relevant forms to confirm the correctness of the aging schedule.
2. We obtained the overdue or default status of notes and accounts receivable and assessed the reasonableness of expected credit losses estimated with a provision matrix.
3. We obtained the collection records of individually significant notes and accounts receivable after the balance sheet date to assess if there were expected credit losses on notes and accounts receivable and confirm the appropriateness of the amount of an allowance for losses set aside.
4. For accounts receivable that are overdue or may not be collected, we assessed the possibility of recovery based on the past collection experience, discussions with the management team, and relevant corroborating materials obtained.

Assessment of an allowance for inventory valuation losses

Description

Dong Guan Cheng Guang Metal Products Co., Ltd., Dong Guan Cheng Guang Precision Industry Co., Ltd., KKA Holdings (Cayman) Ltd., Jabon International Co., Ltd., and ABICO NetCom Co., Ltd. mainly manufacture and sell metal casings for mobile phones and digital cameras, actuator components, powder metallurgy, and business equipment components. As these inventories are vulnerable to rapid changes in technology, short product life cycles, and fierce market competition, there is a higher risk of inventory valuation losses, obsolescence, or damage. The net realizable value of the companies' inventories normally sold is based on the sales and purchase prices in the normal course of business within a certain period before the balance sheet date, and the net realizable values of inventories that are not sold after a certain period of age and individually identified obsolete or damaged inventories are calculated based on historical information on the extent to which the inventories are sold and discounted.

Due to the large number of items in the companies' inventories and the multiple sources of information on the net realizable values of individual materials in the inventories, the identification of the net realizable values of the individually obsolete or damaged inventories and the assessment often involves the management team's subjective judgments, so it is also an area that needs to be judged. Therefore, we listed the assessment of an allowance for inventory valuation losses as one of the key audit matters in this year's audit work.

Corresponding audit procedures

This matter covers different entities audited by us and other accountants. To assess the adequacy of the net realizable values of inventory measured and an allowance for inventory valuation losses, the corresponding procedures undertaken by us and other accountants are specified below:

1. As per the understanding of the nature of the companies' operations and industry, we assessed if the policy on the provision of an allowance for inventory valuation losses during the comparative financial reporting periods was appropriate and consistent.
2. We learned about the process of inventory management, reviewed its annual inventory plan, and participated in its annual inventory process to evaluate the effectiveness of the management team's distinguishing and controlling of obsolete or damaged inventory.
3. We obtained the inventory age report of each inventory item and tested the correctness of the calculation logic to confirm that the obsolete inventory items over a certain age have been included in the report.
4. We obtained a net realizable value report of each inventory item, confirmed that the calculation logic was consistent, and randomly checked the selling and purchase prices of individual materials in the inventory based on the relevant supporting documents.

Other matters: Reference to other accountants' audits

As stated in Note 6(5) to the parent company only financial statements, the financial statements of some of the investees included in the Company's parent company only financial statements, and some investee using the equity method have not been audited by us but by other accountants. Therefore, in the opinion we rendered on the above parent company only financial statements, the amounts listed in said companies' financial statements are based on the audit reports issued by other accountants. The balances of the investments in the above companies using the equity method as of December 31, 2023 and 2022 were NT\$1,024,434 thousand and NT\$1,064,656 thousand, respectively, accounting for 14% and 15% of the total parent company only assets; the shares of profit or loss on the above investees accounted for using the equity

method for the years ended December 31, 2023 and 2022 were NT\$61,296 thousand in loss and NT\$9,049 thousand in loss, respectively, accounting for (106%) and 10% of the parent company only profit (loss) before tax, respectively.

Responsibilities of the management and the governing bodies for the parent company only financial statements

The responsibilities of the management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of ABICO AVY CO., LTD. in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate ABICO AVY CO., LTD. or cease the operations without other viable alternatives.

The Company's governing bodies (including its Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have utilized our professional judgment and professional doubt when performing the audit work in accordance with the auditing standards in the Republic of China. We also performed the following tasks:

5. Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a

basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.

6. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of ABICO AVY CO., LTD.'s internal control.
7. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
8. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over ABICO AVY CO., LTD.'s ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ABICO AVY CO., LTD. to cease to continue as a going concern.
9. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
10. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within ABICO AVY CO., LTD., to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the entities.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of ABICO AVY CO., LTD.'s parent company only financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors'

report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

PwC Taiwan

Ya-Hui Lin

CPA:

Min-Chuan Feng

Financial Supervisory Commission (FSC)

Approval Document No.: Jin-Guan-Zheng-Shen No. 1070323061

Former Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan

Approval Document No.: Jin-Guan-Zhen-VI No. 0960038033

March 27, 2024

ABICO AVY Co., Ltd.
Parent Company Only Balance Sheet
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 220,747	3	\$ 215,813	3
1110	Financial assets at fair value through profit or loss - current	6(2)	32,898	1	20,999	1
1180	Accounts receivable - related parties, net	6(4) and 7	24,564	-	11	-
1210	Other receivables-related parties	7	12,000	-	12,000	-
1220	Current tax assets		84	-	18	-
1410	Prepayments		21,933	-	2,505	-
1470	Other current assets		<u>133</u>	-	<u>193</u>	-
11XX	Total current assets		<u>312,359</u>	<u>4</u>	<u>251,539</u>	<u>4</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - Non-current	6(2)	186,004	3	169,820	2
1517	Financial assets at fair value through other comprehensive income - Non-current	6(3) and 7	534,232	7	466,588	7
1550	Investments accounted for using the equity method	6(5) and 7	6,317,434	86	6,214,397	87
1600	Property, plant and equipment	6(6)	996	-	236	-
1755	Right-of-use assets	6(7) and 7	1,393	-	3,534	-
1840	Deferred tax assets	6(19)	1,600	-	1,600	-
1900	Other non-current assets		<u>50</u>	-	<u>1,200</u>	-
15XX	Total non-current assets		<u>7,041,709</u>	<u>96</u>	<u>6,857,375</u>	<u>96</u>
1XXX	Total assets		<u>\$ 7,354,068</u>	<u>100</u>	<u>\$ 7,108,914</u>	<u>100</u>

(Continued on next page)

ABICO AVY Co., Ltd.
Parent Company Only Balance Sheet
As at December 31, 2023 and 2022

Unit: NT\$ thousand
(except for earnings (losses) per share which is in NT\$)

Liabilities and Equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 561,000	7	\$ 507,500	7
2150	Notes payable		2,713	-	2,706	-
2200	Other payables		46,612	1	42,881	-
2230	Current tax liabilities		9,613	-	-	-
2280	Lease liabilities - current	7	1,396	-	2,169	-
2320	Long-term liabilities due within one year or one operating cycle	6(9)	150,000	2	50,000	1
2399	Other current liabilities		205	-	171	-
21XX	Total current liabilities		<u>771,539</u>	<u>10</u>	<u>605,427</u>	<u>8</u>
Non-current liabilities						
2540	Long-term borrowings	6(9)	1,000,000	14	1,100,000	16
2570	Deferred tax liabilities	6(19)	10,781	-	12,546	-
2580	Lease liabilities - non-current	7	-	-	1,397	-
25XX	Total non-current liabilities		<u>1,010,781</u>	<u>14</u>	<u>1,113,943</u>	<u>16</u>
2XXX	Total liabilities		<u>1,782,320</u>	<u>24</u>	<u>1,719,370</u>	<u>24</u>
Equity						
Share capital						
3110	Ordinary share capital	6(11)	1,689,590	23	1,699,640	24
Capital surplus						
3200	Capital surplus	6(12)	2,599,661	35	2,596,552	36
Retained earnings						
3310	Legal reserve	6(13)	392,518	5	392,518	6
3320	Special reserve		271,778	4	575,656	8
3350	Undistributed earnings		1,000,992	14	426,729	6
Other equity						
3400	Other equity		(377,077)	(5)	(271,778)	(4)
3500	Treasury shares	6(11)	(5,714)	-	(29,773)	-
3XXX	Total equity		<u>5,571,748</u>	<u>76</u>	<u>5,389,544</u>	<u>76</u>
Material Contingent Liabilities and Unrecognized Contractual Commitments						
Material Subsequent Events						
3X2X	Total liabilities and equity		<u>\$ 7,354,068</u>	<u>100</u>	<u>\$ 7,108,914</u>	<u>100</u>

The notes attached are part of the Parent Company Only Financial Statements and shall be read together.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

ABICO AVY Co., Ltd.
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand
(except for earnings (losses) per share which is in NT\$)

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	7	\$ 39,365	100	\$ 11,297	100
5000 Operating cost	6(18) and 7	(4,919)	(12)	(6,087)	(54)
5900 Gross profit		<u>34,446</u>	<u>88</u>	<u>5,210</u>	<u>46</u>
Operating expenses	6(18) and 7				
6200 Administrative expenses		(51,522)	(131)	(56,496)	(500)
6000 Total operating expenses		(51,522)	(131)	(56,496)	(500)
6900 Operating loss		(17,076)	(43)	(51,286)	(454)
Non-operating income and expenses					
7100 Interest income	6(14)	3,721	9	1,020	9
7010 Other income	6(15)	16,603	42	13,939	124
7020 Other gains and losses	6(16)	63,304	161	11,978	106
7050 Financial costs	6(17) and 7	(34,430)	(88)	(25,173)	(223)
7070 Shares of profit or loss on subsidiaries, affiliates, and joint venture recognized using the equity method	6(5)	<u>25,821</u>	<u>66</u>	(44,166)	(391)
7000 Total non-operating income and expenses		<u>75,019</u>	<u>190</u>	(42,402)	(375)
7900 Net profit (net loss) before tax		<u>57,943</u>	<u>147</u>	(93,688)	(829)
7950 Income tax expense	6(19)	(1,991)	(5)	(3,263)	(29)
8200 Net profit (net loss) for this period		<u>\$ 55,952</u>	<u>142</u>	<u>(\$ 96,951)</u>	<u>(858)</u>
Other comprehensive income					
8316 Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	6(3)	\$ 184,421	469	\$ 126,292	1118
8330 Share of other comprehensive income on subsidiaries, affiliates, and joint ventures accounted for using equity method – items not reclassified to profit or loss		50,577	128	3,404	30
8349 Income tax related to items not reclassified	6(19)	<u>1,606</u>	<u>4</u>	(15,155)	(134)
8310 Total amount of items not reclassified to profit or loss		<u>236,604</u>	<u>601</u>	<u>114,541</u>	<u>1014</u>
Items that may subsequently be reclassified to profit or loss					
8361 Exchange differences on translation of the financial statements of foreign operations		(78,024)	(198)	186,160	1648
8360 Total amount of items that may subsequently be reclassified to profit or loss		(78,024)	(198)	186,160	1648
8300 Other comprehensive income, net		<u>\$ 158,580</u>	<u>403</u>	<u>\$ 300,701</u>	<u>2662</u>
8500 Total comprehensive income for this period		<u>\$ 214,532</u>	<u>545</u>	<u>\$ 203,750</u>	<u>1804</u>
Basic earnings (losses) per share	6(20)				
9750 Basic earnings (losses) per share		<u>\$</u>	<u>0.33</u>	<u>(\$)</u>	<u>0.58</u>
Diluted earnings (losses) per share	6(20)				
9850 Diluted earnings (losses) per share		<u>\$</u>	<u>0.33</u>	<u>(\$)</u>	<u>0.58</u>

The notes attached are part of the Parent Company Only Financial Statements and shall be read together.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

ABICO AVY Co., Ltd.
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	Retained earnings				Other equity		Treasury shares	Total equity	
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations			Unrealized gains or losses on financial assets at fair value through other comprehensive income
<u>2022</u>										
Balance as at January 1, 2022		\$ 1,699,640	\$ 2,584,368	\$ 380,980	\$ 412,797	\$ 705,470	(\$ 481,743)	(\$ 93,913)	(\$ 29,773)	\$ 5,177,826
Net loss for this period		-	-	-	-	(96,951)	-	-	-	(96,951)
Other comprehensive income for this period		-	-	-	-	3,909	186,160	110,632	-	300,701
Total comprehensive income for this period		-	-	-	-	(93,042)	186,160	110,632	-	203,750
2021 earnings allocation and distribution:	6(13)									
Legal reserve		-	-	11,538	-	(11,538)	-	-	-	-
Special reserve		-	-	-	162,859	(162,859)	-	-	-	-
Cash dividends	6(12)	-	(50,989)	-	-	-	-	-	-	(50,989)
Capital surplus adjusted for dividends paid out to subsidiaries	6(12)	-	296	-	-	-	-	-	-	296
Overdue dividends transferred to capital surplus	6(12)	-	15	-	-	-	-	-	-	15
Changes in equity of subsidiaries and affiliates	6(12)	-	62,862	-	-	(4,216)	-	-	-	58,646
Disposal of equity instruments at fair value through other comprehensive income by subsidiaries and affiliates	6(3)	-	-	-	-	(7,086)	-	7,086	-	-
Balance as at December 31, 2022		<u>\$ 1,699,640</u>	<u>\$ 2,596,552</u>	<u>\$ 392,518</u>	<u>\$ 575,656</u>	<u>\$ 426,729</u>	<u>(\$ 295,583)</u>	<u>\$ 23,805</u>	<u>(\$ 29,773)</u>	<u>\$ 5,389,544</u>

(Continued on next page)

ABICO AVY Co., Ltd.
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	Retained earnings				Other equity			Treasury shares	Total equity
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income		
<u>2023</u>										
Balance as at January 1, 2023		\$ 1,699,640	\$ 2,596,552	\$ 392,518	\$ 575,656	\$ 426,729	(\$ 295,583)	\$ 23,805	(\$ 29,773)	\$ 5,389,544
Net profit for this period		-	-	-	-	55,952	-	-	-	55,952
Other comprehensive income for this period		-	-	-	-	5,819	(78,024)	230,785	-	158,580
Total comprehensive income for this period		-	-	-	-	61,771	(78,024)	230,785	-	214,532
2022 earnings allocation and distribution:	6(13)									
Special reserve		-	-	-	(303,878)	303,878	-	-	-	-
Cash dividends		-	-	-	-	(50,989)	-	-	-	(50,989)
Capital surplus adjusted for dividends paid out to subsidiaries	6(12)	-	297	-	-	-	-	-	-	297
Overdue dividends transferred to capital surplus	6(12)	-	138	-	-	-	-	-	-	138
Treasury stock retired	6(11)(12)	(10,050)	(14,009)	-	-	-	-	-	24,059	-
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	197,806	-	(197,806)	-	-
Changes in equity of subsidiaries and affiliates	6(12)	-	(12,528)	-	-	1,543	-	-	-	(10,985)
Disposal of equity instruments at fair value through other comprehensive income by subsidiaries and affiliates	6(3)	-	-	-	-	60,254	-	(60,254)	-	-
Differences between the price of the equity of subsidiary acquired or disposed and the book value	6(12)	-	29,211	-	-	-	-	-	-	29,211
Balance as at December 31, 2023		<u>\$ 1,689,590</u>	<u>\$ 2,599,661</u>	<u>\$ 392,518</u>	<u>\$ 271,778</u>	<u>\$ 1,000,992</u>	<u>(\$ 373,607)</u>	<u>(\$ 3,470)</u>	<u>(\$ 5,714)</u>	<u>\$ 5,571,748</u>

The notes attached are part of the Parent Company Only Financial Statements and shall be read together.
Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

Chairman: Chun-Jen Tong

ABICO AVY Co., Ltd.
(formerly known as AVY PRECISION TECHNOLOGY INC.)
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Note</u>	<u>For the Year Ended December 31, 2023</u>	<u>For the Year Ended December 31, 2022</u>
<u>Cash flow from operating activities</u>			
Net profit (loss) before tax for this period		\$ 57,943	(\$ 93,688)
Adjustments			
Income and expenses			
Depreciation expense (including right-of-use assets)	6(6)(7)(18)	2,418	2,408
Loss (gain) on financial assets at fair value through profit or loss	6(16)	(57,585)	20,942
Disposal of investment losses	6(16) and 7	90	277
Interest expense	6(17)	34,430	25,173
Interest income	6(14)	(3,721)	(1,020)
Net investment (income) losses on subsidiaries and affiliates recognized using the equity method	6(5)	(25,821)	44,166
Dividend income	6(15)	(16,603)	(8,272)
Bargain purchase gains	6(15)	-	(5,667)
Cost of remuneration under share-based payment		199	503
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss		29,502	(62)
Accounts receivable (including related parties)		(24,553)	20
Other receivables (including related parties)		12,000	-
Prepayments		(19,428)	342
Other current assets		60	(167)
Net changes in liabilities related to operating activities			
Notes payable		145	2
Other payables		3,350	633
Other current liabilities		34	19
Cash outflow from operations		(7,540)	(14,391)
Interest collected		3,721	1,020
Dividend received		77,083	52,823
Interest paid		(34,049)	(25,173)
Income tax paid		(1,062)	(943)
Net cash inflow from operating activities		<u>38,153</u>	<u>13,336</u>
<u>Cash flow from investing activities</u>			
Disposal of financial assets at amortized cost		-	2,768
Acquisition of financial assets at fair value through other comprehensive income		(171,464)	(91,786)
Disposal of financial assets at fair value through other comprehensive income		296,700	8,031
Acquisition of investment using the equity method	6(5)	(229,070)	(270,240)
Disposal of investment using the equity method	6(5) and 7	30,969	4,891
Property, plant and equipment acquired	6(6)	(1,037)	(110)
Decrease in other non-current assets		1,150	-
Net cash outflow from investing activities		<u>(72,752)</u>	<u>(346,446)</u>
<u>Cash flow from financing activities</u>			
Increase (decrease) in short-term borrowings		53,500	(21,500)
Long-term borrowings		1,150,000	150,000
Repayment of long-term borrowings		(1,150,000)	(50,000)
Repayment of lease principal		(2,170)	(2,301)
Cash dividends paid out	6(13)	(50,989)	(50,989)
Capital returned from investees using the equity method to reduce capital	6(5)	-	147,280
Dividend received		39,192	160,417
Net cash inflow from financing activities		<u>39,533</u>	<u>332,907</u>
Increase (decrease) in cash and cash equivalents for this period		4,934	(203)
Opening balance of cash and cash equivalents	6(1)	215,813	216,016
Ending balance of cash and cash equivalents	6(1)	<u>\$ 220,747</u>	<u>\$ 215,813</u>

The notes attached are part of the Parent Company Only Financial Statements and shall be read together.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

Independent Auditors' Report

(113)-Cai-Sheng-Bao No. 23005244

To ABICO AVY Co., Ltd.,

Audit opinion

We have audited the accompanying consolidated balance sheets of ABICO AVY CO., LTD. (the “Company”) and its subsidiaries (collectively, the “Group”) for the years ended December 31, 2023 and 2022 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements, based on our audit results and the audit report issued by other CPAs (please refer to the “Other matters” paragraph), present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022 and for the years then ended, and its consolidated financial performance and consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as “IFRSs”) endorsed by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards of the Republic of China. Our responsibility under those standards is further described in the paragraph “Auditor’s responsibilities for the audit of the consolidated financial statements”. 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. Based on our audit results and other accountants’ audit reports, we are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the consolidated financial statements of the Group for the year ended December 31, 2023, based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

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

Assessment of expected credit loss on accounts receivable

Description

Please refer to Note 4(11) to the consolidated financial statements for the accounting policies on the assessment of impairment of notes and accounts receivable; please refer to Note 5(2) to the consolidated financial statements for the uncertainty about accounting estimates and assumptions about the estimated impairment of financial assets; please refer to Note 6(5) to the consolidated financial statements for the description of accounts of notes and accounts receivable. The balances of notes and accounts receivable and an allowance for losses on December 31, 2023 were NT\$2,142,501 thousand and NT\$37,384 thousand, respectively.

The Group's main clients are from Taiwan, mainland China, Hong Kong, Japan, Vietnam, and Malaysia. If the clients have significant financial difficulties or delay in payment or non-payment of principal, the risk of not being able to recover notes and accounts would increase. The Group assesses if there is objective evidence of expected credit impairment of individual notes and accounts receivable on each balance sheet date. It assesses if such notes and accounts receivable are overdue or in default, their historical transaction records, the collection situation after the balance sheet date, clients' financial position, and forward-looking factors, to estimate the amount of an allowance for losses that should be set aside.

As the Group has a large amount of notes and accounts receivable and a large number of clients, and the assessment process of an allowance for losses on notes and accounts receivable often involves the management team's subjective judgment, it is also an area that needs to be judged in the audit work, so we included the assessment of the allowance for loss on receivables as a key audit matter in this year's audit work.

Corresponding audit procedures

This matter covers different consolidated entities audited by us and other accountants. To assess the adequacy of an allowance for losses on overdue and individually risky notes and account receivable, the corresponding procedures undertaken by us and other accountants are specified below:

11. We obtained the overdue aging schedule used by the management in assessing the expected credit loss rate of accounts receivable, confirmed that the source logic of the data was consistently applied, and tested the relevant forms to confirm the correctness of the aging schedule.
12. We obtained the overdue or default status of notes and accounts receivable and assessed the reasonableness of expected credit losses estimated with a provision matrix.
13. We obtained the collection records of individually significant notes and accounts receivable after the balance sheet date to assess if there were expected credit losses on notes and accounts receivable and confirm the appropriateness of the amount of an allowance for losses set aside.
14. For accounts receivable that are overdue or may not be collected, we assessed the possibility of recovery based on the past collection experience, discussions with the management team, and relevant corroborating materials obtained.

Assessment of an allowance for inventory valuation losses

Description

Please refer to Note 4(14) to the consolidated financial statements for the accounting policy on inventory valuation; please refer to Note 5(2) to the consolidated financial statements for the uncertainty about accounting estimates and assumptions about inventory valuation; please refer to Note 6(6) to the consolidated financial statements for the description of the account of inventory. The balances of inventory and an allowance for inventory valuation losses on December 31, 2023 were NT\$1,571,203 thousand and NT\$223,828 thousand, respectively.

The Group mainly manufactures and sells metal casings for mobile phones and digital cameras, actuator components, powder metallurgy, and business equipment components. As these inventories are vulnerable to rapid changes in technology, short product life cycles, and fierce market competition, there is a higher risk of inventory valuation losses, obsolescence, or damage. The net realizable value of the Group's inventory normally sold is based on the sales and purchase prices in the normal course of business within a certain period before the balance sheet date. The net realizable values of inventory not sold after a certain period of age and individually identified obsolete or damaged inventory are calculated based on historical

information on the extent to which the inventories are sold and discounted.

Due to the large number of items in the Group's inventory and the multiple sources of information on the net realizable values of individual materials in the inventory, the identification of the net realizable values of the individually obsolete or damaged inventory and the assessment often involves the management team's subjective judgments, so it is also an area that needs to be judged. Therefore, we listed the assessment of an allowance for inventory valuation losses as one of the key audit matters in this year's audit work.

Corresponding audit procedures

This matter covers different consolidated entities audited by us and other accountants. To assess the adequacy of the net realizable values of inventory measured and an allowance for inventory valuation losses, the corresponding procedures undertaken by us and other accountants are specified below:

15. As per the understanding of the nature of the Group's operations and industry, we assessed if the policy on the provision of an allowance for inventory valuation losses during the comparative financial reporting periods was appropriate and consistent.
16. We learned about the process of inventory management, reviewed its annual inventory plan, and participated in its annual inventory process to evaluate the effectiveness of the management team's distinguishing and controlling of obsolete or damaged inventory.
17. We obtained the inventory age report of each inventory item and tested the correctness of the calculation logic to confirm that the obsolete inventory items over a certain age have been included in the report.
18. We obtained a net realizable value report of each inventory item, confirmed that the calculation logic was consistent, and randomly checked the selling and purchase prices of individual materials in the inventory based on the relevant supporting documents.

Other matters: Reference to other accountants' audits

The financial statements of some of the subsidiaries included in the Group's consolidated financial statements, including Jabon International Co., Ltd., ABICO NetCom Co., Ltd., and some investee using the equity method have not been audited by us but by other accountants. Therefore, in the opinion we rendered on the above consolidated financial statements, the amounts listed in said companies' financial statements are based on the audit reports issued by other accountants. The total assets (including investments using the equity method) of said companies as of December 31, 2023 and 2022 were NT\$4,064,169 thousand and NT\$4,451,006

thousand, respectively, accounting for 26% and 29% of the total consolidated assets; their operating revenue for the years ended December 31, 2023 and 2022 amounted to NT\$3,652,607 thousand and NT\$4,621,235 thousand, respectively, accounting for 39% and 44% of the consolidated operating revenue; the comprehensive losses on said investees accounted for using the equity method for the years ended December 31, 2023 and 2022 were NT\$17,352 thousand and NT\$11,975 thousand, accounting for (8%) and (5%) of the consolidated comprehensive income (loss), respectively.

Other matters: Parent company only financial statements

We have audited and expressed an opinion on the parent company only financial statements of ABICO AVY CO., LTD. as at and for the years ended December 31, 2023 and 2022, respectively, by unqualified opinions (including other matters paragraph).

Responsibilities of the management and the governing bodies for the consolidated financial statements

The responsibilities of the management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and regulations of IFRSs endorsed and promulgated by the FSC and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including its Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards of the Republic

of China will always detect a material misstatement when it exists. Misstatement may arise from errors or frauds. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have utilized our professional judgment and professional doubt when performing the audit work in accordance with the auditing standards of the Republic of China. We also performed the following tasks:

19. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
20. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
21. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
22. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
23. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
24. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Group.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

PwC Taiwan

Ya-Hui Lin

CPA:

Min-Chuan Feng

Financial Supervisory Commission (FSC)

Approval Document No.: Jin-Guan-Zheng-Shen No. 1070323061

Former Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan

Approval Document No.: Jin-Guan-Zhen-VI No. 0960038033

March 27, 2024

ABICO AVY Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,564,069	23	\$ 3,502,787	23
1110	Financial assets at fair value through profit or loss - current	6(2)	1,539,286	10	1,028,221	7
1136	Financial assets at amortized cost - current	6(4) and 8	164,787	1	484,771	3
1150	Notes receivable, net	6(5)	65,617	1	61,222	1
1170	Accounts receivable, net	6(5)	1,982,919	13	1,959,873	13
1180	Accounts receivable - related parties, net	6(5) and 7	56,581	-	54,756	-
1200	Other receivables		35,446	-	53,702	-
130X	Inventories	6(6)	1,347,375	9	1,544,575	10
1410	Prepayments		186,359	1	133,992	1
1470	Other current assets		81,960	1	16,652	-
11XX	Total current assets		<u>9,024,399</u>	<u>59</u>	<u>8,840,551</u>	<u>58</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - Non-current	6(2)	230,595	1	225,752	2
1517	Financial assets at fair value through other comprehensive income - Non-current	6(3)	701,183	5	574,336	4
1535	Financial assets at amortized cost - Non-current	6(4) and 8	413,168	3	412,802	3
1550	Investments accounted for using the equity method	6(7)	935,443	6	930,156	6
1600	Property, plant and equipment	6(8) and 8	2,688,960	18	2,974,593	19
1755	Right-of-use assets	6(9) and 7	778,252	5	836,746	5
1760	Net Investment Property	6(10)	57,970	-	58,189	-
1780	Intangible assets	6(11)	162,275	1	165,854	1
1840	Deferred tax assets	6(29)	188,871	1	155,755	1
1900	Other non-current assets	6(12)	157,648	1	189,725	1
15XX	Total non-current assets		<u>6,314,365</u>	<u>41</u>	<u>6,523,908</u>	<u>42</u>
1XXX	Total assets		<u>\$ 15,338,764</u>	<u>100</u>	<u>\$ 15,364,459</u>	<u>100</u>

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ABICO AVY Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and Equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 2,442,283	16	\$ 2,357,929	15
2110	Short-term notes payable	6(14)	-	-	29,985	-
2130	Contract liabilities - current	6(23)	81,893	-	73,141	-
2150	Notes payable		145,741	1	119,148	1
2170	Accounts payable	7	1,298,814	8	1,170,289	8
2200	Other payables	6(15)	739,045	5	729,910	5
2230	Income tax liabilities in this period		104,320	1	103,992	1
2280	Lease liabilities - current	7	151,114	1	190,104	1
2320	Long-term liabilities due within one year or one operating cycle	6(16) and 8	277,089	2	230,849	2
2399	Other current liabilities - other		48,767	-	61,067	-
21XX	Total current liabilities		<u>5,289,066</u>	<u>34</u>	<u>5,066,414</u>	<u>33</u>
Non-current liabilities						
2540	Long-term borrowings	6(16) and 8	1,491,771	10	1,733,310	11
2570	Deferred tax liabilities	6(29)	314,374	2	310,087	2
2580	Lease liabilities - non-current	7	553,058	4	560,773	4
2600	Other non-current liabilities	6(17)(18)	214,235	1	237,562	1
25XX	Total non-current liabilities		<u>2,573,438</u>	<u>17</u>	<u>2,841,732</u>	<u>18</u>
2XXX	Total liabilities		<u>7,862,504</u>	<u>51</u>	<u>7,908,146</u>	<u>51</u>
Equity attributable to owners of the parent						
Share capital						
3110	Ordinary share capital	6(19)	1,689,590	11	1,699,640	11
Capital surplus						
3200	Capital surplus	6(20)	2,599,661	17	2,596,552	17
Retained earnings						
3310	Legal reserve	6(21)	392,518	2	392,518	2
3320	Special reserve		271,778	2	575,656	4
3350	Undistributed earnings		1,000,992	6	426,729	3
3400	Other equity		(377,077)	(2)	(271,778)	(2)
3500	Treasury shares	6(19)	(5,714)	-	(29,773)	-
31XX	Total equity attributable to owners of the parent		<u>5,571,748</u>	<u>36</u>	<u>5,389,544</u>	<u>35</u>
36XX	Non-controlling interests	6(22)	<u>1,904,512</u>	<u>13</u>	<u>2,066,769</u>	<u>14</u>
3XXX	Total equity		<u>7,476,260</u>	<u>49</u>	<u>7,456,313</u>	<u>49</u>
Material Contingent Liabilities and Unrecognized Contractual Commitments						
Material Subsequent Events						
3X2X	Total liabilities and equity		<u>\$ 15,338,764</u>	<u>100</u>	<u>\$ 15,364,459</u>	<u>100</u>

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

ABICO AVY CO., LTD. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Item	Note	2023		Unit: NT\$ thousand 2022		
		Amount	%	Amount	%	
4000	Operating revenue	6(23) and 7	\$ 9,420,948	100	\$ 10,518,257	100
5000	Operating cost	6(6)(28) and 7	(7,892,316)	(84)	(8,914,462)	(85)
5900	Gross profit		<u>1,528,632</u>	<u>16</u>	<u>1,603,795</u>	<u>15</u>
	Operating expenses	6(28) and 7				
6100	Selling expense		(554,704)	(6)	(585,246)	(6)
6200	Administrative expenses		(878,748)	(9)	(869,775)	(8)
6300	Research and development expenses		(104,130)	(1)	(93,562)	(1)
6450	Expected credit impairment gains (losses)	12(2)	<u>20,912</u>	-	(38,938)	-
6000	Total operating expenses		(1,516,670)	(16)	(1,587,521)	(15)
6900	Operating income		<u>11,962</u>	-	<u>16,274</u>	-
	Non-operating income and expenses					
7100	Interest income	6(24)	89,510	1	37,805	-
7010	Other income	6(25)	80,043	1	50,072	1
7020	Other gains and losses	6(26)	151,893	1	172,594	2
7050	Financial costs	6(27) and 7	(108,088)	(1)	(83,287)	(1)
7060	Shares of profit or loss on affiliates and joint venture recognized using the equity method	6(7)	<u>5,900</u>	-	(16,982)	-
7000	Total non-operating income and expenses		<u>219,258</u>	<u>2</u>	<u>160,202</u>	<u>2</u>
7900	Net profit before tax		231,220	2	176,476	2
7950	Income tax expense	6(29)	(113,439)	(1)	(150,018)	(2)
8200	Net profit for this period		<u>\$ 117,781</u>	<u>1</u>	<u>\$ 26,458</u>	<u>-</u>

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ABICO AVY CO., LTD. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Item	Note	2023		Unit: NT\$ thousand 2022	
		Amount	%	Amount	%
Other comprehensive income					
Items not reclassified to profit or loss:					
8311		\$ 5,424	-	(\$ 810)	-
8316	6(3)	189,724	2	80,927	1
8320		50,737	1	(37,632)	(1)
8349	6(29)	1,493	-	(15,249)	-
8310		<u>247,378</u>	<u>3</u>	<u>27,236</u>	<u>-</u>
Items that may subsequently be reclassified to profit or loss					
8361		(163,793)	(2)	174,843	2
8399	6(29)	6,561	-	(7,576)	-
8360		(157,232)	(2)	167,267	2
8300		<u>\$ 90,146</u>	<u>1</u>	<u>(\$ 194,503)</u>	<u>2</u>
8500		<u>\$ 207,927</u>	<u>2</u>	<u>\$ 220,961</u>	<u>2</u>
Net profit (loss) attributable to:					
8610		\$ 55,952	-	(\$ 96,951)	(1)
8620		61,829	1	123,409	1
		<u>\$ 117,781</u>	<u>1</u>	<u>\$ 26,458</u>	<u>-</u>
Total comprehensive income attributable to:					
8710		\$ 214,532	2	\$ 203,750	2
8720		(6,605)	-	17,211	-
		<u>\$ 207,927</u>	<u>2</u>	<u>\$ 220,961</u>	<u>2</u>
Basic earnings (losses) per share 6(30)					
9750		<u>\$</u>	<u>0.33</u>	<u>(\$</u>	<u>0.58)</u>
Diluted earnings (losses) per share 6(30)					
9850		<u>\$</u>	<u>0.33</u>	<u>(\$</u>	<u>0.58)</u>

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

ABICO AVY Co., Ltd. and Its Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Equity attributable to owners of the parent												
	Note	Retained earnings					Other equity			Total	Non-controlling interests	Total equity
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Treasury shares			
2022												
Balance as at January 1, 2022		\$ 1,699,640	\$ 2,584,368	\$ 380,980	\$ 412,797	\$ 705,470	(\$ 481,743)	(\$ 93,913)	(\$ 29,773)	\$ 5,177,826	\$ 2,221,195	\$ 7,399,021
Net loss for this period		-	-	-	-	(96,951)	-	-	-	(96,951)	123,409	26,458
Other comprehensive income for this period		-	-	-	-	3,909	186,160	110,632	-	300,701	(106,198)	194,503
Total comprehensive income for this period		-	-	-	-	(93,042)	186,160	110,632	-	203,750	17,211	220,961
2021 earnings allocation and distribution:	6(20)(21)											
Allocation for legal reserve		-	-	11,538	-	(11,538)	-	-	-	-	-	-
Allocation for special reserve		-	-	-	162,859	(162,859)	-	-	-	-	-	-
Cash dividends		-	(50,989)	-	-	-	-	-	-	(50,989)	-	(50,989)
Overdue dividends transferred to capital surplus	6(20)	-	15	-	-	-	-	-	-	15	-	15
Capital surplus adjusted for dividends paid out to subsidiaries	6(20)	-	296	-	-	-	-	-	-	296	-	296
Cash dividends paid out by subsidiaries	6(22)	-	-	-	-	-	-	-	-	-	(120,084)	(120,084)
Share-based payment transactions	6(22)	-	-	-	-	-	-	-	-	-	746	746
Changes in equity of subsidiaries and affiliates	6(20)(22)	-	62,862	-	-	(4,216)	-	-	-	58,646	33,823	92,469
Equity instruments at fair value through other comprehensive income disposed of by subsidiaries and affiliates	6(3)(22)	-	-	-	-	(7,086)	-	7,086	-	-	(38,604)	(38,604)
Changes in non-controlling interests	6(22)	-	-	-	-	-	-	-	-	-	(47,518)	(47,518)
Balance as at December 31, 2022		\$ 1,699,640	\$ 2,596,552	\$ 392,518	\$ 575,656	\$ 426,729	(\$ 295,583)	\$ 23,805	(\$ 29,773)	\$ 5,389,544	\$ 2,066,769	\$ 7,456,313

(Continued on next page)

ABICO AVY Co., Ltd. and Its Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Equity attributable to owners of the parent												
	Note	Retained earnings					Other equity			Total	Non-controlling interests	Total equity
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Treasury shares			
2023												
Balance as at January 1, 2023		\$ 1,699,640	\$ 2,596,552	\$ 392,518	\$ 575,656	\$ 426,729	(\$ 295,583)	\$ 23,805	(\$ 29,773)	\$ 5,389,544	\$ 2,066,769	\$ 7,456,313
Net profit for this period		-	-	-	-	55,592	-	-	-	55,592	61,829	117,781
Other comprehensive income for this period		-	-	-	-	5,819	(78,024)	230,785	-	158,580	(68,434)	90,146
Total comprehensive income for this period		-	-	-	-	61,771	(78,024)	230,785	-	214,532	(6,605)	207,927
2022 earnings allocation and distribution:	6(21)											
Allocation for special reserve		-	-	-	(303,878)	303,878	-	-	-	-	-	-
Cash dividends		-	-	-	-	(50,989)	-	-	-	(50,989)	-	(50,989)
Capital surplus adjusted for dividends paid out to subsidiaries	6(20)	-	297	-	-	-	-	-	-	297	-	297
Overdue dividends transferred to capital surplus	6(20)	-	138	-	-	-	-	-	-	138	-	138
Cash dividends paid out by subsidiaries	6(22)	-	-	-	-	-	-	-	-	-	(83,667)	(83,667)
Treasury stock retired	6(19)(20)	(10,050)	(14,009)	-	-	-	-	-	24,059	-	-	-
Share-based payment transactions	6(22)	-	-	-	-	-	-	-	-	-	251	251
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	197,806	-	(197,806)	-	-	-	-
Equity instruments at fair value through other comprehensive income disposed of by subsidiaries and affiliates	6(3)	-	-	-	-	60,254	-	(60,254)	-	-	-	-
Changes in equity of subsidiaries and affiliates	6(20)(22)	-	(12,528)	-	-	1,543	-	-	-	(10,985)	578	(10,407)
Differences between the price of the equity of subsidiary acquired or disposed of and the book value	6(20)	-	29,211	-	-	-	-	-	-	29,211	-	29,211
Changes in non-controlling interests	6(22)	-	-	-	-	-	-	-	-	-	(72,814)	(72,814)
Balance as at December 31, 2023		\$ 1,689,590	\$ 2,599,661	\$ 392,518	\$ 271,778	\$ 1,000,992	(\$ 373,607)	(\$ 3,470)	(\$ 5,714)	\$ 5,571,748	\$ 1,904,512	\$ 7,476,260

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

ABICO AVY Co., Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
<u>Cash flow from operating activities</u>			
Net profit before tax in this period		\$ 231,220	\$ 176,476
Adjustments			
Income and expenses			
Depreciation expense (including right-of-use assets and investment property)	6(8)(9)(10)(28)	703,481	728,852
Amortization expense	6(11)(28)	13,436	16,490
Expected credit impairment losses (Reversal of impairment loss recognized in profit)	12(2)	(20,912)	38,938
Interest income	6(24)	(89,510)	(37,805)
Dividend income	6(25)	(28,179)	(25,727)
Bargain purchase gains	6(25)	(-)	(5,667)
Proceeds from the disposal of property, plant and equipment	6(26)	(28,428)	(25,314)
Loss (gain) on disposal of investment	6(26)	140	(11,275)
Lease modification gain	6(9)(26)	(1,150)	(1,037)
Gain on non-current assets held for sale	6(26)	-	(3,120)
(Gain) loss on financial assets at fair value through profit or loss	6(26)	(82,180)	51,368
Impairment loss	6(26)	10,026	13,745
Interest expense	6(27)	108,088	83,287
Investment (income) losses recognized using the equity method	6(7)	(5,900)	16,982
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss		(125,828)	393,866
Notes receivable		(4,395)	(1,966)
Accounts receivable (including related parties)		(9,084)	348,330
Other receivables		42	49,516
Inventories		159,424	288,954
Prepayments		(53,446)	21,271
Other current assets		(68,477)	2,121
Other non-current assets		2,051	(10,900)
Net changes in liabilities related to operating activities			
Contract liabilities		8,752	10,169
Notes payable		26,731	(16,599)
Accounts payable		126,052	(530,536)
Other payables		(15,818)	(171,097)
Other current liabilities		(13,834)	3,607
Other non-current liabilities		(742)	(23,916)
Cash inflow from operations		841,560	1,379,013
Interest collected		89,510	37,805
Dividend received		89,880	70,676
Interest paid		(88,760)	(66,131)
Income tax paid		(149,388)	(206,468)
Net cash inflow from operating activities		782,802	1,214,895

(Continued on next page)

ABICO AVY Co., Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
<u>Cash flow from investing activities</u>			
Increase in financial assets at amortized cost		(\$ 16,164)	(\$ 109,257)
Acquisition of financial assets at fair value through other comprehensive income		(209,619)	(143,234)
Disposal of financial assets at fair value through other comprehensive income		313,709	77,878
Acquisition of investments accounted for using the equity method	6(7)	(31,154)	(225,096)
Disposal of investments accounted for using the equity method		-	32,940
Capital reduction and return of share capital for investment using the equity method	6(7)	-	72,400
Acquisition of subsidiaries (net of cash received)	6(32)	1,018	(44,411)
Impact of net cash changes in proceeds from disposal of subsidiaries	6(33)	16,545	-
Property, plant and equipment acquired	6(33)	(140,030)	(317,186)
Property, plant and equipment disposed		53,169	51,381
Intangible assets acquired	6(11)	(5,732)	(4,263)
Disposal of non-current assets held for sale		-	3,120
Acquisition of investment property	6(10)	-	(58,207)
Increase in other non-current assets		(142,933)	(17,940)
Net cash outflow from investing activities		(161,191)	(681,875)
<u>Cash flow from financing activities</u>			
Increase in short-term borrowings	6(34)	83,426	50,732
Decrease in short-term notes payable	6(34)	(29,985)	(59,924)
Long-term borrowings	6(34)	1,362,892	203,133
Repayment of long-term borrowings	6(34)	(1,558,191)	(212,025)
Repayment of lease principal	6(34)	(186,414)	(166,428)
(Decrease) increase in other non-current liabilities		(2,175)	7,018
Changes in non-controlling interests	6(22)	(75,093)	32,002
Cash dividends paid out	6(21)	(50,989)	(50,989)
Cash dividends paid out by subsidiaries - non-controlling interests	6(22)	(83,667)	(120,084)
Capital returned for subsidiaries' capital reduction - non-controlling interests	6(22)	-	(79,520)
Net cash outflow from financing activities		(540,196)	(396,085)
Decrease in cash and cash equivalents due to exchange rate changes		(20,133)	(50,085)
Increase in cash and cash equivalents for this period		61,282	86,850
Opening balance of cash and cash equivalents	6(1)	3,502,787	3,415,937
Ending balance of cash and cash equivalents	6(1)	\$ 3,564,069	\$ 3,502,787

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

Attachment IV:

ABICO AVY CO., LTD.
Statement Of Earnings Distribution
2023

Unit: NTD

Opening balance	679,618,006
Other comprehensive income recognized using the equity method	5,818,762
Effect recognized per investments using the equity method	61,797,733
Disposal of equity instruments at fair value through other comprehensive income	197,805,516
Undistributed earnings after adjustment	945,040,017
Add: Net of tax for this year	55,951,511
Less: 10% of balance provided for a legal reserve	(32,137,352)
Less: Provision for a special reserve	(105,298,851)
Distributable earnings	863,555,325
Less: Shareholder dividends	
Cash dividend NT\$0.3	50,687,697
Undistributed earnings at the end of the period	812,867,628

Description:

1. A cash dividend of NT\$0.3 per share will be distributed.
2. The amount paid out in cash from capital surplus is rounded down to NT\$1, and the total amount below NT\$1 will be recognized in the Company's other income.
3. In cases of changes that occur to the number of issued shares due to the Company's repurchase, conversion of convertible corporate bonds, cash capital increase, or other factors, thereby resulting in changes in the distribution ratio, and the it is proposed to request the board of directors to delegate the Chairman to adjust the distribution ratio.

Chairman: Chun-Jen Tong

Manager: Shiang-Chi Hu

Chief Accounting Officer: Hui-Chu Lee

Attachment V:

ABICO AVY CO., LTD.

Comparison Table of Amendments to the Articles of Incorporation

Articles amended	Current Articles	Explanation
<p>Article 20: If the Company makes a profit in a fiscal year, it shall allocate employee remuneration and directors remuneration as follows. However, when the Company still has a cumulative deficit, it shall reserve an amount to offset it first.</p> <p>I. Not higher than 1.5% for directors' remuneration.</p> <p>II. Not lower than 8% and not higher than 12% for employee remuneration.</p> <p>When the employee remuneration in the preceding paragraph is paid out in cash or stock, the recipients may include employees of the controlling company or subsidiaries who meet certain criteria, in addition to the Company's employees. The applicable rules are formulated by the Board of Directors as delegated. Where the Company makes a profit for a fiscal year, the profit shall be first used for paying taxes as required by law, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal after an appropriate amount is reserved for business needs. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.</p> <p><u>In accordance with Special reserve appropriated, the Company shall first provide</u></p>	<p>Article 20: If the Company makes a profit in a fiscal year, it shall allocate employee remuneration and directors remuneration as follows. However, when the Company still has a cumulative deficit, it shall reserve an amount to offset it first.</p> <p>I. Not higher than 1.5% for directors' remuneration.</p> <p>II. Not lower than 8% and not higher than 12% for employee remuneration.</p> <p>When the employee remuneration in the preceding paragraph is paid out in cash or stock, the recipients may include employees of the controlling company or subsidiaries who meet certain criteria, in addition to the Company's employees. The applicable rules are formulated by the Board of Directors as delegated. Where the Company makes a profit for a fiscal year, the profit shall be first used for paying taxes as required by law, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal after an appropriate amount is reserved for business needs. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.</p>	<p>To amend the Article 20, Paragraph 4 of the Articles of Incorporation, in order to conform to the amendments to relate the Financial-Supervisory-Securities-Corporate 1090150022.</p> <p>To set aside special reserve is issued pursuant to Article 41 of the Securities and Exchange Act. Paragraph 4 and Paragraph 5 are moved.</p>

Articles amended	Current Articles	Explanation
<p><u>the same amount of Special reserve as in the previous Unappropriated retained earnings before the distribution of earnings. If there is still a shortfall, then Item, other than the current net profit after tax, shall be included in the current unappropriated retained earnings.</u></p> <p>All or part of the dividends and bonuses payable, capital surplus, or legal reserve shall be paid out in cash with majority approval at a board meeting attended by over two-thirds of the directors, which shall be reported to the shareholders' meeting, while the provisions in the preceding paragraph that a resolution by the shareholders meeting shall be required do not apply.</p> <p>The Company's dividend policy shall be implemented based on its business plan, future capital expenditure plans, budget, and capital needs, to meet shareholders' needs for cash inflows and ensure market competitiveness, of which cash dividends to be paid out shall not be lower than 10% of the total dividends to be paid out to shareholders.</p>	<p>All or part of the dividends and bonuses payable, capital surplus, or legal reserve shall be paid out in cash with majority approval at a board meeting attended by over two-thirds of the directors, which shall be reported to the shareholders' meeting, while the provisions in the preceding paragraph that a resolution by the shareholders meeting shall be required do not apply.</p> <p>The Company's dividend policy shall be implemented based on its business plan, future capital expenditure plans, budget, and capital needs, to meet shareholders' needs for cash inflows and ensure market competitiveness, of which cash dividends to be paid out shall not be lower than 10% of the total dividends to be paid out to shareholders.</p>	
<p>Article 23: The Articles of Incorporation was formulated on December 23, 1994. The 1st amendment was made on March 14, 1995. The 2nd amendment was made on August 21, 1995. The 3rd amendment was made on May 25, 1996. The 4th amendment was made on December 27, 1997. The 5th amendment was made on May 8, 1998. The 6th amendment was made on June 25, 1999. The 7th amendment was made on May 31, 2000. The 8th amendment was made on June 22, 2001. The 9th amendment was made on June 28, 2002. The 10th amendment was made on November 17, 2003. The 11th amendment was made on June 11, 2004. The 12th amendment was made on June 15, 2006. The 13th amendment was made on June 13, 2007. The 14th amendment was made on June 13, 2008. The 15th amendment was made on June 16, 2009. The 16th amendment was made on June 18, 2010. The 17th amendment was made on June 11, 2014. The 18th amendment was made on June 18, 2015. The 19th</p>	<p>Article 23: The Articles of Incorporation was formulated on December 23, 1994. The 1st amendment was made on March 14, 1995. The 2nd amendment was made on August 21, 1995. The 3rd amendment was made on May 25, 1996. The 4th amendment was made on December 27, 1997. The 5th amendment was made on May 8, 1998. The 6th amendment was made on June 25, 1999. The 7th amendment was made on May 31, 2000. The 8th amendment was made on June 22, 2001. The 9th amendment was made on June 28, 2002. The 10th amendment was made on November 17, 2003. The 11th amendment was made on June 11, 2004. The 12th amendment was made on June 15, 2006. The 13th amendment was made on June 13, 2007. The 14th amendment was made on June 13, 2008. The 15th amendment was made on June 16, 2009. The 16th amendment was made on June 18, 2010. The 17th amendment was made on June 11, 2014. The 18th amendment was made on June 18, 2015. The 19th</p>	<p>Update the date of amendment</p>

Articles amended	Current Articles	Explanation
<p>amendment was made on June 21, 2016. The 20th amendment was made on June 13, 2017. The 21st amendment was made on March 27, 2019. The 22nd amendment was made on June 12, 2019. The 23rd amendment was made on June 12, 2020. The 24th amendment was made on July 15, 2021. The 25th amendment was made on June 14, 2022. <u>The 26th amendment was made on June 21, 2024.</u></p>	<p>amendment was made on June 21, 2016. The 20th amendment was made on June 13, 2017. The 21st amendment was made on March 27, 2019. The 22nd amendment was made on June 12, 2019. The 23rd amendment was made on June 12, 2020. The 24th amendment was made on July 15, 2021. The 25th amendment was made on June 14, 2022.</p>	

Attachment VI: The candidates list for directors

Titel	Name	Education	Experience	Current positions	The names of Government or Institutional shareholders	Reason for the nomination of the Company's independent directors for three consecutive terms.
Director	Chun-Jen Tong	Master of Information, New Jersey Institute of Technology	Chairman, ABICO AVY Co., Ltd.	Vice Chairman, ABICO NetCom Co., Ltd. Director, Dong Guan Cheng Guang Trading Co., Ltd. /IKKA HOLDINGS (CAYMAN) LIMITED. /Ability Enterprise Co., Ltd.	Abico Internation Co., Ltd.	N/A
Director	Chun-Yi Tong	Bachelor of Economics, University of Southern California Master of LSI, Faculty of Science and Technology, Waseda University, Japan	Vice Chairman, ABICO AVY Co., Ltd.	Chairman, Dong Guan Cheng Guang Trading Co., Ltd. Chairman, Ability Venture Management Co., Ltd. Director, IKKA HOLDINGS (CAYMAN) LIMITED. / Ability Enterprise Co., Ltd.		
Director	Shiang-Chi Hu	Master of International Business, National Taiwan University	General Manager, ABICO AVY Co., Ltd.	Chairman, ABICO NetCom Co., Ltd. / IKKA HOLDINGS (CAYMAN) LIMITED. Director, ABICO Asia Capital Corporation Chairman, Empower Technology Corporation Director, Ability Enterprise Co., Ltd. Independent Director, Impact Power, Inc.		
Director	Ching-His Tong	Waseda University, Japan	CEO, ABICO Group	CEO, ABICO Group Director, Ability Investment Co., Ltd.		
Director	Li-An Hung	IESE Business School, Spain	Partner, Infinity Ventures	Director, ABICO NetCom Co., Ltd.		

Titel	Name	Education	Experience	Current positions	The names of Government or Institutional shareholders	Reason for the nomination of the Company's independent directors for three consecutive terms.
Director	Chao-Yu Yang	Department of Management, National Defense University	Chairman, Super Alloy Industrial Co., Ltd.	Chairman, DongGuan Qunsheng Power Metallurgy Ltd. / DongGuan Best Achieve Industrial Ltd. / Best Select Industrial (SuZhou) Co., Ltd. Director, Jabon International Co., Ltd. / Jabon Precision Co., Ltd. / EKEEN PRECISION CO., LTD. / Jcheng Software Inc.	Yunchen Investment Co., Ltd.	
Independent Director	Jieh-Chen Wang	Shih Hsin Junior college Credit class of Public Administration, National Chengchi University	National Taxation Bureau of Kaohsiung, MOF National Taxation Bureau of the Northern Area, MOF Deputy General-Director of the National Taxation Bureau of Taipei, MOF	Independent Director, ABICO NetCom Co., Ltd. Independent Director, Chong Hong Construction Co., Ltd.	None	N/A
Independent Director	Xiu-Ci Ou	Bachelor of Accounting, National Cheng Kung University Master of Computer, New York Institute of Technology	Section Chief, Information Department of Land Bank of Taiwan Assistant Manager, Wan Hua Branch of Land Bank of Taiwan	None	None	
Independent Director	Feng-Ming Gao	Bachelor of Accounting, Chinese Culture University	Assistant Vice President, Ability Enterprise Co., Ltd. Vice President, ABICO AVY Co., Ltd.	None	None	

The directors and independent directors above have been nominated, and their qualifications have been approved at the 21st convening of the 10th Board of Directors on May 10, 2024.

Attachment VII: The candidates list for release the non-compete clause on directors.

Name	Concurrent positions at the Company		Business category of Release the non-compete clause
Chun-Jen Tong	AVY Co., Ltd. (AVY)	Director	Manufacturing and sales of optical instruments, electronic products and components, and precision molds
	Dong Guan Cheng Guang Metal Products Co., Ltd.	Director	Manufacturing and sales of electronic products and components, and precision molds.
	Dong Guan Cheng Guang Precision Industry Co., Ltd.	Director	Parts and accessories of electronic products and cameras.
	Dong Guan Cheng Guang Trading Co., Ltd.	Director	Parts and accessories of electronic products and cameras.
	HIRASEIMITSU(THAILAND) CO., LTD.	Director	Manufacturing and sales of plastic products and molds
	Sol-Plus Co., Ltd.	Director	Manufacturing and sales of plastic products and molds
	ABICO NetCom Co., Ltd.	Director	Sales of business equipment components, electronic components, and optoelectronic products
	Taiwan Sanyo Electric Co., Ltd.	Director	Electronic Parts and Components Manufacturing, Electrical Appliances and Audiovisual Electronic Products Manufacturing
	Jabon International Co., Ltd.	Director	Processing, manufacturing, and sales of metallurgical products such as shafts and bearings.
	IKKA Holdings (Cayman) Ltd.	Director	Manufacturing and sales of Motor Vehicle Parts Manufacturing.
	Ability International Tenancy Co., Ltd.	Director	Wholesale of Molds, Wholesale of Electronic Materials, Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
	Honlynn Co., Ltd.	Director	Wholesale of Precision Instruments, Wholesale of Camera Equipment, Retail Sale of Computers and Clerical Machinery Equipment.
	E-PIN Optical Industry Co., Ltd.	Director	Electronics Components Manufacturing, Optical Instruments Manufacturing, Wholesale of Electronic Materials
	Ability Enterprise Co., Ltd.	Director	Electronics Components Manufacturing, wholesale of Electronic Materials, Wholesale of Camera Equipment
EKEEN PRECISION CO., LTD.	Director	Electronic Parts and Components Manufacturing, Other Non-Metallic Mineral Products Manufacturing	
Chun-Yi Tong	AVY Co., Ltd. (AVY)	Director	Manufacturing and sales of optical instruments, electronic products and components, and precision molds
	Dong Guan Cheng Guang Metal Products Co., Ltd.	Director	Manufacturing and sales of electronic products and components, and precision molds.
	Dong Guan Cheng Guang Precision Industry Co., Ltd.	Director	Parts and accessories of electronic products and cameras.
	Dong Guan Cheng Guang Trading Co., Ltd.	Director	Parts and accessories of electronic products and cameras.
	HIRASEIMITSU(THAILAND) CO., LTD.	Director	Manufacturing and sales of plastic products and molds
	Sol-Plus Co., Ltd.	Director	Manufacturing and sales of plastic products and molds
	Jabon International Co., Ltd.	Director	Processing, manufacturing, and sales of metallurgical products such as shafts and bearings.
	IKKA Holdings (Cayman) Ltd.	Director	Manufacturing and sales of Motor Vehicle Parts Manufacturing.
	DaiichiKasei Co.,Ltd.	Director	Electronics Components Manufacturing, wholesale of Electronic Materials, Wholesale of Camera Equipment
	Ability Enterprise Co., Ltd.	Director	Electronics Components Manufacturing, wholesale of Electronic Materials, Wholesale of Camera Equipment
	Sirtec International Co., Ltd.	Independent Director	Processing, manufacturing, and sales of metallurgical products such as shafts and bearings.
	Honlynn Co., Ltd.	Director	Wholesale of Precision Instruments, Wholesale of Camera Equipment, Retail Sale of Computers and Clerical Machinery Equipment.

Name	Concurrent positions at the Company		Business category of Release the non-compete clause
	EKEEN PRECISION CO., LTD.	Director	Electronic Parts and Components Manufacturing, Other Non-Metallic Mineral Products Manufacturing
Shiang-Chi Hu	ABICO NetCom Co., Ltd.	Director	Sales of business equipment components, electronic components, and optoelectronic products
	Jabon International Co., Ltd.	Director	Processing, manufacturing, and sales of metallurgical products such as shafts and bearings.
	IKKA Holdings (Cayman) Ltd.	Director	Manufacturing and sales of Motor Vehicle Parts Manufacturing.
	Jabon Precision Co., Ltd.	Director	Industrial Plastic Products Manufacturing, Mold and Die Manufacturing
	Jcheng Software Inc.	Director	Electronics Components Manufacturing
	EKEEN PRECISION CO., LTD.	Director	Electronic Parts and Components Manufacturing, Other Non-Metallic Mineral Products Manufacturing
	Ability Enterprise Co., Ltd.	Director	Electronics Components Manufacturing, wholesale of Electronic Materials, Wholesale of Camera Equipment
	Empower Technology Corporation.	Director	Electronics Components Manufacturing
	Allis Electric Co., Ltd.	Independent Director	Manufacture of Metal Structure and Architectural Components, Rail Vehicle and Parts Manufacturing, Metal Forging, Other Metal Products Manufacturing
HIRASEIMITSU(THAILAND) CO., LTD.	Director	Manufacturing and sales of plastic products and molds	
Sol-Plus Co., Ltd.	Director	Manufacturing and sales of plastic products and molds	
Li-An Hung	ABICO NetCom Co., Ltd.	Director	Sales of business equipment components, electronic components, and optoelectronic products
Chao-Yu Yang	DongGuan Best Achieve Industrial Ltd.	Director	Production and sales of power tools and relevant spare parts
	DongGuan Qunsheng Powder Metallurgy Ltd.	Director	Production and sales of powder metallurgy products and assembly of actuators
	Jabon International Co., Ltd.	Director	Processing, manufacturing, and sales of metallurgical products such as shafts and bearings.
	Jabon Precision Co., Ltd.	Director	Industrial Plastic Products Manufacturing, Mold and Die Manufacturing
	Jcheng Software Inc.	Director	Electronics Components Manufacturing
	Best Select Industrial (SuZhou) Co., Ltd.	Director	Production and research and development of non-ferrous metal composite materials, new alloy materials, and relevant products and sales of self-produced products
	EKEEN PRECISION CO., LTD.	Director	Electronic Parts and Components Manufacturing, Other Non-Metallic Mineral Products Manufacturing
	M.A.C Technology (Malaysia) San. Bhd.	Director	Manufacturing and sale of plastic injection molded components for home appliances and gearboxes for power tools.
Jieh-Chen Wang	ABICO NetCom Co., Ltd.	Independent Director	Sales of business equipment components, electronic components, and optoelectronic products

The above business category includes the research, development, manufacturing, and sales of various metals, plastic die casting, mold manufacturing, processing and trading business, electronic component manufacturing business, electronic material wholesale business, metal surface treatment business, etc. Based on the consideration of business diversification and future strategic development, the restriction of the above Director business and the company's item non-competition business is released.

IV. Appendices

ABICO AVY CO., LTD.

Rules of Procedure for Shareholders' Meetings

Article 1

To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2

Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.

Article 3

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.

Thirty days before the Company convenes a general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes a general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. However, a publicly listed company, with the paid-in capital amounting to NT\$10 billion or more at the end of the most recent fiscal year or the total shareholding ratio of foreign capital and capital from China reaching 30% or more as per the shareholder register for the general shareholders' meeting held in the most recent fiscal year, shall upload such an electronic file 30 days before the general shareholders' meeting. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency.

The Company shall provide said handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:

- I. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.
- II. When a physical shareholders' meeting is convened, supplemented by a video conference, such materials shall be distributed on-site at the shareholders'

meeting, and an electronic file of such materials shall be uploaded to the video conference platform.

III. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be sent to the video conference platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the 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 the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion. Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of outstanding shares may submit to the Company a proposal for discussion at an annual general meeting of shareholders. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of Article 172-1, paragraph 4 of the Company Act may not be included in the meeting agenda by the Board of Directors. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a general shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is 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 annual general meeting of shareholders and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for any shareholders' 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 the Company and stating the scope of the proxy's authorization.

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if the shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once the proxy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5

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

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.

Article 6

The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.

The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in location place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

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

The Company 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.

The Company shall furnish attending shareholders with the meeting agenda handbook,

annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be furnished.

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

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them till the end of the meeting.

Article 6-1

When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

- I. Shareholders' methods of participating in the video conference and exercising their rights.
- II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
 - (I) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (II) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
 - (III) When a physical shareholders' meeting is convened, supplemented by a video conference, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
 - (IV) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
- III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.

Article 7

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such position as Vice Chairman or the Vice Chairman is on leave or unable to

exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select from among themselves one person to serve as the chair.

When a managing director or director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of a juridical person director to serve as the chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, at least one Independent Director 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 other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8

The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, and the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept 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.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.

If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conferencing platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting 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 attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned.

If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform. If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding 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 on the proposals on the agenda one by one (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by 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 other than the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

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

Article 11

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak

shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; however, if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.

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

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

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

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

Article 12

Voting at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding 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 the Company, that shareholder may not vote on that item and may not exercise voting rights as a 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 stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a 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 outstanding 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 the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the 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's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore 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 the Company at least 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 shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by 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 on the MOPS.

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

Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all scrutineers be shareholders of the Company.

Vote counting for proposals or elections at a shareholders' meeting 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 recorded.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.

Article 14

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and those who lost the election and the numbers of votes each candidate won.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers 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 recording shall be retained until the conclusion of the litigation.

Article 15

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

Said distribution may be announced through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the minute taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of

the shareholders' meeting.

Article 16

The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it till the end of the meeting.

When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.

Article 17

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "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 the Company, the chair may prevent the shareholder from so doing.

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

Article 18

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

If the meeting venue is no longer available for continued use and not all of the items (including extempore 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

When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations, and shall continue to disclose for

at least 15 minutes after the chair declares the meeting adjourned.

Article 20

When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.

Article 21

When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.

When a shareholders' meeting is convened by video conference the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies; and that the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors or supervisors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-

20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting at a date as per paragraph 2.

Article 22

When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.

Article 23

These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Appendix II:**ABICO AVY CO., LTD.****Articles of Incorporation****General Provisions**

Article 1: The Company is incorporated in accordance with the Company Act and named 能率創新股份有限公司.

The English name is ABICO AVY CO., LTD.

Article 2:

I. The Company engages in the research, development, manufacturing, and sale of the products below:

(1) Microwave and millimeter-wave receivers for satellites.

(2) Personal computer wireless communication systems.

(3) Local area networks and wireless communication systems.

(4) Two-way pagers.

(5) Manufacturing, processing, and trading of various aluminum alloy and plastic die-casted products and molds.

(6) The Company concurrently engages in import and export related to its business.

II. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.

III. CC01070 Wireless Communication Mechanical Equipment Manufacturing.

IV. CC01080 Electronics Components Manufacturing.

V. F119010 Wholesale of Electronic Materials.

VI. F401010 International Trade.

VII. CA04010 Surface Treatments.

VIII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide endorsements or guarantees for business needs or as per investees' needs as per the Operating Procedures for Endorsements and Guarantees.

Article 3: If the Company is a shareholder with limited liability of another company, its total investment is not subject to the limit of 40% of the paid-in capital as stipulated in Article 13 of the Company Act.

Article 4: The Company is headquartered in Taipei City and may set up subsidiaries or branches at home and abroad with the resolution adopted by the Board of Directors and the approval of competent authorities.

Article 5: (Deleted)

Chapter 2 Shares

Article 6: The Company's total authorized capital is NT\$3 billion, which is divided into 300 million shares with a par value of NT\$10 per share, which may be issued in tranches by the Board of Directors as delegated. Of the above capital, NT\$100 million is reserved for the exercise of stock warrants, preference shares with warrants, or corporate bonds with warrants.

Article 6-1: In accordance with the Company Act, the employees to whom the employee stock warrants are granted may include employees of the controlling company or subsidiaries who meet certain criteria; the Board of Directors are delegated to decide

on the terms and methods of the subscription. If the Company intends to issue employee stock warrants at a subscription price lower than the market price, it shall issue the warrants only with the approval by the resolution of the shareholders' meeting in accordance with applicable regulations.

Article 6-2: If the Company intends to transfer its shares repurchased to employees at a price lower than the average repurchase price, the transferees may include employees of the controlling company or subsidiaries who meet certain criteria. The criteria and method of subscription shall be determined by the Board of Directors, and the shares shall only be transferred with the approval by the resolution of the shareholders' meeting in accordance with applicable regulations.

Article 6-3: If the Company intends to issue restricted stock awards and transfer them to employees, the transferees may include employees of the controlling company or subsidiaries who meet certain criteria. The criteria and method of subscription shall be determined by the Board of Directors, and the awards shall only be issued with the approval by the resolution of the shareholders' meeting in accordance with applicable regulations.

Article 7: The Company may be exempted from printing stock certificates and shall register with the centralized securities depository enterprise when issuing shares.

Article 8: The change of name and transfer of shares shall be suspended within 60 days before a general shareholders' meeting, within 30 days before an extraordinary shareholders' meeting, or within 5 days before the record date of payout of dividends, bonuses, or other benefits.

Chapter 3 Shareholders' Meeting

Article 9: There are annual general and extraordinary shareholders' meetings. The Board of Directors shall convene the general meeting once a year within six months after the end of each fiscal year as per law. Extraordinary meetings may be convened at any time as needed as per law.

The Company may convene a shareholders' meeting by video conference or in other methods as announced by the central competent authority. The criteria, operating procedures, and other matters to be complied with for convening a shareholders' meeting by video conference shall be governed by the competent authority's regulations if otherwise provided.

Article 10: Any shareholder who is unable to attend a shareholders' meeting for any reason shall appoint a proxy to attend the meeting by presenting a proxy form (signed or sealed by the shareholder) printed by the Company, indicating the scope of the authorization. With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of outstanding shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 11: Each of the Company's shareholders shall be entitled to one vote for each share held unless otherwise stipulated by the Company Act and other applicable laws and regulations.

Article 12: Unless otherwise provided by the Company Act, resolutions by a shareholders' meeting shall be adopted by more than half of the voting rights represented by shareholders at such a meeting attended by shareholders representing more than half of the total outstanding shares.

Chapter 4 Board of Directors and Audit Committee

- Article 13: The Company shall have 9 directors on the board. The term of office is 3 years. The shareholders' meeting shall elect such directors from candidates with the legal capacity, and they can be re-elected.
- Of said number of the Company's directors, the number of independent directors shall not be fewer than three and shall not be fewer than one-fifth of the total number of directors. Directors shall be elected through a candidate nomination system by the shareholders' meeting from a list of director candidates.
- The professional qualifications, restrictions on shareholdings and positions held concurrently, nomination and appointment methods, and other matters to be complied with for independent directors shall be governed by the applicable regulations of the competent securities authority.
- The total shareholding of all directors shall be governed by the regulations of the competent securities authority.
- Article 13-1: The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the committee is formed by all independent directors.
- The responsibilities assumed by supervisors as stipulated by the Company Act, the Securities and Exchange Act, and other laws shall be shouldered by the Audit Committee.
- The Audit Committee's structure, responsibilities, rules of procedure, and other matters to be complied with shall be handled in accordance with the competent securities authority's applicable regulations.
- Article 14: The resolution by the Board of Directors, unless otherwise provided by the Company Act, shall be adopted by a majority vote at a board meeting attended by more than half of the directors. Directors who are unable to attend a board meeting may issue a proxy form to entrust other directors to attend on their behalf, but each director can be a proxy for only one director.
- Article 15: The Board of Directors is formed by directors and shall elect a Chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors; the Vice Chairman may be elected in the same procedure; they shall implement all the Company's affairs in accordance with laws, regulations, as well as the resolutions adopted by the shareholders' meeting and the Board of Directors
- Article 16: When the Chairman is on leave or absent or cannot perform his duties for any cause, the acting Chairman shall be handled in accordance with Article 208 of the Company Act. When a board meeting is to be convened, the reasons shall be stated in a meeting notice, which shall then be sent to all directors at least seven days in advance. However, in the event of an emergency, a board meeting may be convened at any time. The notice referred to in the preceding paragraph may be sent in writing or by fax or email.
- Article 17: The Board of Directors is delegated to determine the remuneration to directors based on their involvement in the Company's operations, the values of their contributions, and the general standard in the industry.
- The Company may purchase liability insurance for directors during their terms of office based on the scope of their duties.

Chapter 5 Managers

- Article 18: The Company may engage managers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

- Article 19: The Company's fiscal year starts from January 1 and ends on December 31 each year. The Board of Directors shall prepare (1) a business report, (2) financial statements, and (3) a statement of earning distribution or deficit compensation at the end of each fiscal year and submit them to the general shareholders' meeting for ratification.
- Article 20: If the Company makes a profit in a fiscal year, it shall allocate employee remuneration and directors remuneration as follows. However, when the Company still has a cumulative deficit, it shall reserve an amount to offset it first.
- I. Not higher than 1.5% for directors remuneration;
 - II. Not lower than 8% and not higher than 12% for employee remuneration.
- When the employee remuneration in the preceding paragraph is paid out in cash or stock, the recipients may include employees of the controlling company or subsidiaries who meet certain criteria, in addition to the Company's employees. The applicable rules are formulated by the Board of Directors as delegated.
- Where the Company makes a profit for a fiscal year, the profit shall be first used for paying taxes as required by law, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal after an appropriate amount is reserved for business needs. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.
- All or part of the dividends and bonuses payable, capital surplus, or legal reserve shall be paid out in cash with majority approval at a board meeting attended by over two-thirds of the directors, which shall be reported to the shareholders' meeting, while the provisions in the preceding paragraph that a resolution by the shareholders meeting shall be required do not apply.
- The Company's dividend policy shall be implemented based on its business plan, future capital expenditure plans, budget, and capital needs, to meet shareholders' needs for cash inflows and ensure market competitiveness, of which cash dividends to be paid out shall not be lower than 10% of the total dividends to be paid out to shareholders.

Chapter 7 Supplementary Provisions

- Article 21: (Deleted)
- Article 22: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act.
- Article 23: The Articles of Incorporation was formulated on December 23, 1994. The 1st amendment was made on March 14, 1995. The 2nd amendment was made on August 21, 1995. The 3rd amendment was made on May 25, 1996. The 4th amendment was made on December 27, 1997. The 5th amendment was made on May 8, 1998. The 6th amendment was made on June 25, 1999. The 7th amendment was made on May 31, 2000. The 8th amendment was made on June 22, 2001. The 9th amendment was made on June 28, 2002. The 10th amendment was made on November 17, 2003. The 11th amendment was made on June 11, 2004. The 12th amendment was made on June 15, 2006. The 13th amendment was made on June 13, 2007. The 14th amendment was

made on June 13, 2008. The 15th amendment was made on June 16, 2009. The 16th amendment was made on June 18, 2010. The 17th amendment was made on June 11, 2014. The 18th amendment was made on June 18, 2015. The 19th amendment was made on June 21, 2016. The 20th amendment was made on June 13, 2017. The 21st amendment was made on March 27, 2019. The 22nd amendment was made on June 12, 2019. The 23rd amendment was made on June 12, 2020. The 24th amendment was made on July 15, 2021. The 25th amendment was made on June 14, 2022.

ABICO AVY CO., LTD.

Chairman: Chun-Jen Tong

Appendix III:

ABICO AVY 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/GTSM Listed Companies.

Article 2

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

Article 3

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

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. 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:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

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

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

Article 4

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

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

Article 5

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

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

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

Article 6

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

Article 7

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

Article 8

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

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

Article 9

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

Article 10

A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. 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 this Corporation shall issue notifications to the persons elected as directors.

Article 13

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

Appendix IV:

The number of shares held by all directors and the minimum number of shares to be held.

I. The percentage and number of shares held by the directors as required by law are as follows:

The number of the Company's issued ordinary shares is 168,958,990 shares. All directors shall hold 10,137,539 shares as required by law.

II. As of April 23, 2024, the book closure date for the 2024 general shareholders' meeting, the number of shares held by all directors is as follows:

Title	Name	Number of shares held as recorded in the shareholder register on the book closure date	
		Number of shares	%
Chairman	Abico International Co., Ltd. Representative: Chun-Jen Tong	22,095,328	13.08%
Director	Abico International Co., Ltd. Representative: Chun-Yi Tong	22,095,328	13.08%
Director	Abico International Co., Ltd. Representative: Shiang-Chi Hu	22,095,328	13.08%
Director	Abico International Co., Ltd. Representative: Ching-Hsi Tong	22,095,328	13.08%
Director	Abico International Co., Ltd. Representative: Li-An Huang	22,095,328	13.08%
Director	Yunchen Investment Co., Ltd. Representative: Chao-Yu Yang	606,740	0.36%
Independent Director	Jieh-Chen Wang	0	0
Independent Director	Wei-Chyun Yan	0	0
Independent Director	Loung-Ching Cheng	0	0

Note: The Company has established an Audit Committee, so the number of shares that the supervisor shall hold as required by law does not apply. As per Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares to be held shall not be lower than 80% of the number specified in Article 2, paragraph 2.

Appendix V:

- (I) The influence of the stock dividend on the Company's operating performance, earnings per share, and return on equity: N/A.**