

## Report Items:

### Proposal 1

Proposal: The Company's Business Report of 2023

- Explanation: (I) With regard to the 2023 operational result of the Company, in terms of the revenue, the consolidated net revenue of the parent company and subsidiaries was approximately NTD 2.11 billion, representing a decrease of 19.59% compared to approximately NTD 2.63 billion in 2022. The net operating revenue of the parent company for the entire year was approximately NTD 290 million, which is a decrease of 33.09% compared to approximately NTD 434 million in 2022.
- (II) In terms of the earnings, the consolidated net profit after tax for the current period amounted to approximately NTD 176 million, representing a decrease of 26.81% compared to the consolidated net profit after tax of approximately NTD 241 million in 2022. This decrease is mainly due to the land acquisition compensation benefit received in 2021 of the Hangzhou Plant. The main reason is that the overall industry has declined due to the impact of inflation, and the cost of raw materials, freight, electricity, labor and other factors have increased, resulting in a decline in gross profit and affecting profitability.
- (III) Please refer to pages 6 to 29 of this handbook for the business report and related financial statements.
- (IV) Please review.

### Proposal 2

Proposal: Audit Committee's review report on the financial statements of 2023.

- Explanation: (I) The financial statements of the Company for 2023 have been audited and certified by CPAs Chien-Chen Huang and Chen-Yu Yang of Crowe (TW). The audit has been completed and reviewed by the Audit Committee, with respective Independent Auditors' Report and review reports issued. Please refer to page 30 of this handbook.
- (II) Please review.

### Proposal 3

Proposal: Report on the cash dividend distribution status of 2023 of the Company.

- Explanation: (I) With regard to the Company's 2023 earnings distribution, it has been resolved by the Board of Directors on March 11, 2024, to allocate a dividend of NTD 63,544,860, with cash dividend of NTD 0.6 per share. The entire amount will be distributed in cash (rounded down to the nearest whole number), and any fractional amounts will be included in other income of the Company.
- (II) The present ex-dividend base date is set to be July 1, 2024, and the cash dividend distribution date is July 22, 2024.
- (III) Please review.

#### Proposal 4

Proposal: Report on the distribution status of employee and director remuneration for 2023 of the Company.

- Explanation: (I) The remuneration for employees and directors for 2023 of the Company was approved by the Board of Directors on March 11, 2024, and will be fully distributed in cash.
- (II) The net income before tax for 2023 of the Company, before deducting employee and director remuneration, amounted to NTD 210,925,044. The remuneration allocation is as follows:  
The remuneration to employees is NTD 5,200,000, accounting for approximately 2.5% of the net income before tax. The remuneration to directors is NTD 2,100,000, accounting for approximately 1% of the net income before tax.
- (III) There is no difference between the above distributed amount and the estimated amount in the year of expense recognition (2023).
- (IV) Please review.

#### Proposal 5

Proposal: Report on material transactions between the Company and related parties in 2023.

- Explanation: (I) According to Article 17 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, if there are financial transactions or dealings between a TWSE/TPEX listed company and its related parties of shareholders, the Company should establish written regulations based on the principles of fairness and reasonableness regarding the financial transactions between them. The Company has already passed the regulations governing financial transactions between related enterprises in the 11th meeting of the 20th Board of Directors.
- (II) According to the Regulations, the Company's purchase or sales, labor service or technical service transactions with related parties, and the expected transaction amount for the whole year reaches 5% of the Company's most recent consolidated total assets or the most recent consolidated net operating revenues, unless the Regulations Governing the Acquisition or Disposal of Assets by Public Companies apply, or transactions between the Company, its subsidiaries, or between subsidiaries, the relevant information should be submitted to the Board of Directors for approval before proceeding with the transaction. Additionally, it should be reported to the shareholders' meeting after the end of the year.
- (III) The Company did not have any material transactions in 2023 with related parties that required reporting to the shareholders meeting in compliance with the Regulations.
- (IV) Please review.

#### Proposal 6

Proposal: Report on amendments to the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”.

Explanation: (I) To comply with regulations, the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" have been amended. Please refer to page 31 to 42 of this handbook.

(II) Please review.

#### Proposal 7

Proposal: Report on amendments to the “Rules of Procedure for Board of Directors Meetings”.

Explanation: (I) To comply with the regulations, the Company's "Rules of Procedure for Board of Directors Meetings" have been amended. Please refer to page 43 to 44 of this handbook.

(II) Please review.

## **Ratification Items:**

Proposal 1 (Proposed by the Board of Directors)

Proposal: Ratification of the 2023 business report and financial statements.

- Explanation: (I) The 2023 business report and financial statements (including consolidated financial statements) of the Company have been reviewed by the CPAs and the Audit Committee and are found to be consistent. Please refer to page 6 to page 30 of this handbook.
- (II) Please approve.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Ratification of 2023 earnings distribution.

- Explanation: (I) The Company's 2023 earnings after tax is NTD 157,614,441. After combining with the accumulated undistributed earnings from previous years and adjusting according to legal requirements, the actual distributable earnings amounts to NTD 1,649,570,755.
- (II) Earnings distribution is made according to the Articles of Incorporation of the Company, and have been approved by the Board of Directors through resolution.
- (III) Please refer to page 45 of this Handbook for the Earnings Distribution Table.
- (IV) Please approve.

Resolution:

## **Discussion Items:**

Proposal 1 (Proposed by the Board of Directors)

Proposal: Amendments to the "Procedures for Endorsements and Guarantees", please discuss.

- Explanation: (I) To comply with legal requirements and management requirements, the Company's "Procedures for Endorsement Guarantee" have been amended. Please refer to page 46 to 48 of this handbook.
- (II) Please discuss.

Resolution:

## **Extempore Motion**

## **Adjournment**