



鈦昇科技股份有限公司

E & R ENGINEERING CORPORATION

Handbook for the 2025 Annual Meeting of Shareholders

Date: June 12, 2025

Location: 61, Hengshan Rd, Yanchao Dis. Kaohsiung City

Manual of Shareholders' Regular Meeting

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E&R Engineering Corporation

Procedure for the 2025 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Opening Remarks by the Chairperson
3. Matters for Reporting
4. Matters for Acknowledgment
5. Matters for Discussion
6. Extemporaneous Motions
7. Adjournment

E&R Engineering Corporation

Year 2025 Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m. on June 12, 2025

Place: 61, Hengshan Rd, Yanchao Dis. Kaohsiung City (Meeting room on the 4th floor of the head office)

Agenda:

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

1. Report on the business of 2024
2. Report on 2024 Audit Committee's review report
3. Report on the Issuance of Third Domestic Unsecured Convertible Corporate Bonds
4. Report on the Execution of the 12th Share Repurchase
5. Report on the Formulation of the Corporate Governance Best Practice Principles
6. Report on the Formulation of the Sustainable Development Practice Principles

IV. Matters for Acknowledgment:

1. Acknowledgment of the Company's 2024 Annual Business Report and Financial Statements.
2. Acknowledgment of the Company's Statement of Appropriation of Earnings for the Year 2024.

V. Matters for Discussion:

1. Proposal to Amend Certain Provisions of the Company's Articles of Incorporation.
2. Proposal to Transfer Treasury Shares to Employees at a Price Lower than the Actual Average Buyback Price.

VI. Extemporaneous Motions

VII. Adjournment

Matters for Reporting

Report No. 1

Proposed by the Board

Subject: 2024 The Company's 2024 Annual Business Report for Your Review.

Explanation: Please refer to Attachment 1 of this handbook for the 2024 Annual Business Report (pages 8 to 13).

Report No. 2

Proposed by the Board

Subject: The Company's 2024 Audit Committee Review Report for Your Review.

Explanation: Please refer to Attachment 2 of this handbook for the 2024 Audit Committee Review Report (Page 14).

Report No. 3

Proposed by the Board

Subject: Report on the Execution of the Company's Third Unsecured Convertible Corporate Bonds Issued Domestically for Your Review.

Explanation:

1. Follow Company Act. Article 246.
2. To expand production facilities and enhance operating capital, the Company issued the third domestic unsecured convertible corporate bonds in the amount of NT\$1 billion on July 13, 2022. As of April 14, 2025, a total of 6,187 bonds (61.87%) have been converted into 9,536,998 common shares. The remaining 3,813 bonds (38.13%) have yet to be converted. Please refer to Attachment 3 of this handbook (Page 15 to 16).

Report No. 4

Proposed by the Board

Subject: Report on the Execution of the Company's 12th Share Repurchase Program for Your Review.

Explanation: To maintain corporate credibility and protect shareholders' rights, the Company planned to repurchase 1,500,000 shares during its 12th share repurchase program. As of April 25, 2025, a total of 641,000 shares have been repurchased. The Company now holds 3,464,000 treasury shares, representing 3.2% of the total outstanding shares. Please refer to Attachment 4 of this handbook (Page 17).

Report No. 5

Proposed by the Board

Subject: Report on the Formulation of the "Practical Guidelines for Corporate Governance."

for Your Review.

Explanation: In accordance with the Taiwan Stock Exchange's "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and to strengthen the Company's corporate governance and achieve sustainable operations, the Company has formulated its "Corporate Governance Best Practice Principles" Please refer to Attachment 5 of this handbook (Page 18).

Report No. 6

Proposed by the Board

Subject: Report on the "Sustainable Development Practice Principles" for Your Review.

Explanation: To address future sustainability-related issues, fulfill corporate social responsibilities, and promote economic, environmental, and social progress, the Company has formulated the "Sustainable Development Practice Principles." As the contents encompass corporate responsibility topics, the previously adopted "Corporate Social Responsibility Best Practice Principles" have been repealed. Please refer to Attachment 6 of this handbook (Page 39 to 44).

Matters for Acknowledgment

Proposal No. 1

Proposed by the Board

Subject: Acknowledgment of the Company's 2024 Business Report and Financial Statements

Explanation: 1. The Company's 2024 annual business report and financial statements (including individual financial statements and consolidated financial statements) have been composed by the Board. The financial statements have been audited and certified by independent auditors Mr. Hsieh Jen-Yao and Mr. Li Guoming of Crowe (TW) CPAs, who have issued an unqualified audit opinion report. The above financial statements have also been reviewed and approved by the Audit Committee, and a review report is on record.

2. The 2024 Business Report, independent auditors' audit report, the Financial Statements, and the Consolidated Financial Statements are attached in the Meeting Agenda. Please refer to Attachment VII. (Page 45 to 63).

Resolution:

Proposal No. 2

Proposed by the Board

Subject: Acknowledgment of the Company's Statement of Appropriation of Earnings for the

Year 2024.

Explanation: 1. The proposed earnings distribution for 2024 is as follows:

E&R Engineering Corporation

Statement of Appropriation of Earnings for the Year 2024

Unit: NTD, thousand.

Items	Total
Beginning Undistributed Retained Earning	121,137,764
Add (Deduct): Actuarial Gains (Losses) on Defined Benefit Plans	1,430,996
Difference between actual acquisition/disposal price and book value of subsidiaries	(12,805,280)
Disposal of Fair Value Through Other Comprehensive Income (FVTOCI) Equity Instruments	(2,225,697)
Adjusted Undistributed Retained Earnings	107,537,783
Add (Deduct): Net Loss After Tax for the Year	(51,125,379)
Reversal of Special Surplus Reserve	28,751,899
Earnings Available for Distribution	85,164,303
Items for appropriation	0
Proposed: No dividend distribution	
Ending Undistributed Earnings	85,164,303

Chairman : Michel Wang President : Eric Chang Accounting Supervisor : Max Tsao

2. please acknowledge.

Resolution:

Matters for Discussion

Proposal 1

Proposed by the Board of Directors

Subject: Proposal to Amend Certain Provisions of the Articles of Incorporation

Explanation: 1. In accordance with Financial Supervisory Commission (FSC) letter No. 1130385442 dated November 8, 2024, the Company defines "basic-level employees" as domestic employees under an indefinite-term employment contract whose average monthly regular salary is less than NTD 63,000. The amended Articles of Incorporation specify that 40–55% of employee remuneration shall be allocated to basic-level employees, and certain wording changes are made accordingly.

2. Please refer to Attachment VIII (Page 64) of this handbook for a comparison table of the Articles of Incorporation before and after amendment..

3. Please discuss.

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject: Proposal to Transfer Treasury Shares to Employees at a Price Lower Than the Actual Average Buyback Price

Explanation:

To incentivize employees and enhance cohesion, the Company proposes to transfer 834,000 treasury shares (from the 7th buyback program) to employees at a price lower than the average buyback price, in accordance with Article 10-1 of the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.” Details are as follows:

1. Transfer Price, Discount Rate, Basis of Calculation and Reasonableness:

- Transfer price: NTD 32.5 per share
- This represents 50.1% of the average buyback price of NT\$64.84.
- Based on current economic conditions and the Company’s business outlook, the pricing is deemed reasonable.

2. Number of Shares to Be Transferred, Purpose and Reasonableness:

- Number of shares to be transferred: 834,000 shares.
- Purpose: To incentivize employees and strengthen their commitment
- Reasonableness: The proposed transfer quantity does not exceed 5% of the Company’s total outstanding shares and complies with relevant regulations. The pricing is consistent with the incentive nature of the plan.

3. Eligibility Criteria and Subscription Quotas:

- Eligibility: Based on Article 4 of the Company’s Treasury Share Transfer to Employees Guidelines
- Subscription quota: Based on Article 5 of the same Guidelines

4. Impact on Shareholders’ Rights:

A. Estimated Expense and EPS Dilution:

Based on the closing price of NTD 73.3 on the day before the Board Meeting (April 25, 2025), the estimated expensable amount is approximately NTD 34.03 million, resulting in an EPS dilution of NTD 0.31, calculated by dividing the potential expensable amount by the total outstanding shares of the Company.

B. Financial Burden from Below-Cost Transfer:

The estimated difference between transfer proceeds and acquisition cost is NTD 26.97 million. The difference between this amount and the expensable amount (NTD 7.055 million) will be credited to Capital Reserve – Treasury Share Transactions. After the transfer, the Company will have an additional NTD 27.11 million in available funds, which should not result in significant financial burden.

5. Authorization: It is proposed that the Chairman be authorized to handle all related matters.

6. Please discuss.

Resolution:

Extempore Motion

Adjournment

Third. Attachment

【Attachment I】

E&R Engineering Corporation 2024 Annual Business Report

Hello shareholders:

First of all, I would like to thank all shareholders for their long-term support and encouragement to the Group. Here is a brief report on the operating results in 2024 and the business plan for 2025:

I. Operation results in 2024

(I) Business plan implementation results:

In recent years, the Group has upheld its core competencies in laser and plasma technologies, establishing a leading position in the IC packaging and testing industry. Building on this foundation, we have expanded into more advanced applications of laser and plasma technologies. Beyond developing high-end equipment for wafer-level packaging (WLP) and system-in-package (SiP) processes, we have leveraged these advanced technologies to enter the fields of high-end semiconductor packaging and advanced manufacturing processes.

From a macroeconomic perspective, 2024 continues to be marked by uncertainties across global economies. The only certainty remains the persistently elevated inflationary pressure. Rapid changes in geopolitical conditions—including the prolonged Russia-Ukraine conflict and a new wave of warfare in the Middle East in 2024—have contributed to ongoing global instability. These factors have dampened investment sentiment within the electronics industry, leading to significant losses and widespread layoffs across upstream, midstream, and downstream segments of the electronics supply chain.

Despite these challenges, the AI industry has stood out as a major driver of global economic growth in 2024. According to a report by Precedence Research, the global AI economy reached USD 638.2 billion in 2024, reflecting an 18.6% growth compared to 2023, and it continues to grow steadily.

Over the past few years, the Group has invested substantial resources into the development of advanced technologies and equipment in response to geopolitical shifts and cyclical market changes. We have also actively explored AI-related applications and positioned ourselves as a technological pioneer, forming strategic

alliances with industry leaders to create business development platforms for emerging markets. These efforts aim to secure our role in shaping the direction of next-generation technologies.

In summary, the Group's consolidated operating revenue in 2024 was NT\$1,644,908 thousand, representing an approximate 6.17% increase compared to NT\$1,549,374 thousand in 2023. However, the net loss attributable to the parent company for the year was NT\$51,125 thousand, with a loss per share of NT\$0.51.

(II) Budget Execution:

The budget prepared by the Group is for internal operation and management, and no financial forecast has been announced.

(III) Group financial revenue and expenditure and profitability analysis:

Unit: NTD, thousand.

Item		2024	2023
Financial income and expenditure	Operating income	1,644,908	1,549,374
	Operating profit	597,644	614,281
	Net profit (loss) after tax	(58,859)	23,575
Profitability	Return on Assets (%)	(0.92)	0.83
	Return on Equity (%)	(2.27)	0.95
	Operating (loss) profit to paid-in capital ratio (%)	(10.97)	1.71
	Profit (loss) Before tax to paid-in capital ratio (%)	(4.92)	3.89
	Earnings per share	(0.51)	0.32

(IV) Research and Development Status:

Unit: NTD, thousand

Item	2024	2023
R&D expenses	252,464	207,420
Operating revenue	1,644,908	1,549,374
Ratio (%)	15	13

The Group remains committed to the continuous development of semiconductor manufacturing equipment. With years of dedicated expertise in laser marking, laser micromachining, and plasma-based micromachining, our technologies have consistently earned the trust and adoption of leading clients. In recent years, we have strategically focused our R&D efforts on the following key areas:

1. Laser Modification for Glass Substrates
2. Glass Substrate Drilling Inspection Equipment
3. Glass Substrate Bonding and Dicing Equipment

4. Wafer-Level Plasma Dicing
5. Advanced Process Inspection and Analysis
6. ABF Substrate Cutting and Drilling Applications

In response to these emerging technologies, the Group continues to strengthen its R&D organization by cultivating a robust talent pool with deep specialization. This ensures sustained momentum for breakthroughs in laser and plasma processing as well as next-generation inspection solutions. Our new technology developments have now reached the forefront of the global industry. Both our laser and plasma equipment systems have been certified by major clients and adopted into next-generation high-performance computing (HPC) chip production lines. These achievements are expected to contribute significantly to future revenue growth.

In addition, the Group continues to respond to diverse customer demands by integrating laser and plasma technologies through a diversified business strategy. We are actively establishing a plasma dicing contract manufacturing service, while simultaneously promoting industrial and product diversification. These efforts are aimed at driving business expansion and enhancing gross profit margins.

II. 2025 Outline of Business Plan

(I) Operating Strategy

The Company operates with the business philosophy of integrity and pragmatism, sustainable operation, continuous innovation, profit sharing, and maximizing the value of shareholders and employees. In addition, the Company also actively expands into emerging markets, actively improves quality, and actively strengthens the improvement of quality and enhances customer satisfaction with the policy of breakthrough and value creation, to achieve the goal of an outstanding enterprise.

(II) Expected Sales Numbers and the Basis

Sales volumes are determined based on market demand conditions and development trends, customer business performance, and the Group's current order status, with due consideration of our production capacity. In 2024, under the AI-driven momentum within the semiconductor industry, demand for high-end technologies continues to lead the market. This trend is driving the overall electronics sector to withstand the downturn of traditional industries and the uncertainties of global economic development. As a result, investments in advanced semiconductor

equipment have continued to grow, further expanding the market for advanced process technologies. While demand in the automotive electronics sector has slightly eased in 2024 and the competitive saturation in the China market remains unresolved in the short term—leading to some stagnation in growth—the overall trend remains optimistic. In 2025, although AI and emerging technologies are expected to reach new demand peaks, challenges stemming from geopolitical tensions and tariffs brought about by power struggles among major countries persist. Despite gradual recovery in the economic cycle, geopolitical risks continue to present formidable challenges. The Group has successfully completed the development of several new technology projects and began expanding into new markets starting in 2024, with planned objectives being progressively realized.

We continue to develop next-generation high-speed laser application modules aimed at mass production of high-end glass substrate materials, and are further exploring dual-process technologies within the substrate industry chain. In terms of panel-level packaging equipment, the Group remains committed to R&D investments, providing multi-station plasma and laser systems as part of comprehensive turnkey production lines, while actively expanding our customer base. Furthermore, in recent years, the Group has brought in numerous PhD-level experts from both domestic and international backgrounds to strengthen our R&D capabilities and advance high-precision laser micro-processing technologies for semiconductor packaging and testing. We have secured a significant number of patents, integrating laser and plasma technologies to deliver complete, customized solutions for our clients. These innovations are expected to fuel further development across key application areas including 5G, Micro LED, advanced glass interposers, high-performance computing, and electric vehicles.

(III) Important Production and Marketing Policy

1. In terms of marketing and research development, the Group holds a leading position in mass production technologies for next-generation glass substrate applications. This year, our marketing efforts have focused not only on promoting the formation of a glass substrate industry alliance but also on actively expanding our customer base in this field. With regard to advanced panel-level packaging technologies, the Group continues to position itself as a premier technology partner, moving forward in close alignment with our clients' evolving needs. In response to Japan's renewed

investment in the semiconductor market, the Group began expanding its business presence in Japan starting in 2024, targeting new customer segments.

2. On the production front, the Group continues to advance its capabilities in precision laser microprocessing and plasma surface treatment technologies, while also dedicating efforts to the development of new products. This year, the Group has expanded its manufacturing footprint with the addition of a new facility in Nantong, Jiangsu. This move not only strengthens procurement confidence among customers in mainland China, but also enhances the Group's brand competitiveness. Furthermore, it helps reduce rising production costs and delivers manufacturing advantages to our customers, thereby improving overall product competitiveness.

III. Future Development Strategy

- (I) Stay attuned to market trends and actively engage in joint development efforts with potential clients for next-generation technologies and products. In addition to enhancing existing R&D capabilities, the Company aims to align with customers' future needs and accelerate their product development cycles by offering early-stage technical collaboration.
- (II) Expand into new regional markets by establishing appropriate international sales channels and a robust distributor support system. By closely collaborating with trade partners and delivering timely, localized solutions, the Company aims to increase market share and scale up its presence in the global market..
- (III) Talents expand the channels of talent network by establishing education cooperation, participating in high-level talent training programs, and applying for alternative service. In addition, the Company also strengthens the professional training of talents and closely communicates with research institutions and academic institutions.
- (IV) Continuous research and development to improve production technology and reduce costs, based on the company's existing scale, research and development of diversified and high-margin products, and extend the core field to different industries and continue to develop new equipment to maintain the leading edge of the competition.
- (V) In response to the needs of the Company's future development, it will make full use of the capital market to reduce capital costs and maximize capital utilization efficiency.
- (VI) To support the Group's expansion needs, construction of the new facility at the Qiaotou Science Park broke ground in 2024, and the Jiangsu Nantong plant commenced operations in mid-2024. These facilities provide additional capacity for future production scale-up, particularly for the assembly and manufacturing of high-end products. Additionally, the new plants support the launch of new plasma processing services, contributing to greater diversification in the Group's operations.

IV. Influenced by the external competitive, regulatory, and general economic environment

- (I) Important domestic and foreign policy and legal changes in recent years have not had a significant impact on the Company's financial business, and relevant information will be

obtained at any time in the future, and necessary countermeasures will be promptly developed to meet the Group's operational needs.

(II) In response to the rapid changes in the industrial landscape, the Group has benefited significantly from government-supported technology initiatives and the A+ Program. These resources have enabled us to attract top talent, drive R&D and innovation, and pursue internal organizational transformation. Through training and structural enhancement, we have cultivated a highly creative R&D management team, strengthening our core competitiveness. At the same time, we are proactively developing high-potential products to expand our revenue base and enhance profitability.

(III) With the advent of the high-speed transmission era, next-generation glass substrates and panel-level packaging have significantly increased the demand for laser and plasma technologies within the semiconductor industry. As heterogeneous integration becomes more complex, laser and plasma processes are expected to become core technologies and indispensable components in next-generation semiconductor equipment. In response to this trend, the Group has spent recent years developing a diversified portfolio of technologies and is now fully equipped with a complete suite of application-ready products. Beyond core processing equipment, we have also established strong capabilities in industry integration.

(IV) Continue to build a more complete information security system.

(V) The frequency of extreme climates around the world has seriously impacted human life and business operations. Climate change will also bring transformational risks, such as changes in regulations, market changes, and new technology needs. The Group continues to develop ESG sustainable operations, and is obliged to do so in terms of environmental protection, social responsibility and corporate governance.

We sincerely hope that all shareholders will continue to give E&R Engineering Corp. support and encouragement, and continue to give Tisheng enthusiastic and sincere advice. Finally, E&R Engineering Corp. would like to wish all shareholders good health and good luck!

Chairman : Michel Wang President : Eric Chang Accounting Supervisor : Max Tsao

【Attachment II】

Audit Committee Review Report

The board of directors sent the Company's fiscal year 2024 annual business report, financial statements and earnings distribution proposals, among which the individual financial statements and consolidated financial statements have been reviewed and completed by Crowe Global, and an audit report has been issued.

The above-mentioned business report, financial statements and profit distribution proposal have been reviewed by the audit committee and found that there is no inconsistency, and the report is as above in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act.

Please check.

Sincerely,

E&R Shareholders' Annual Meeting in the 114th year of the Republic of China

Engineering Corporation
Chairman of the Audit Committee:

Alex Kao

March 6, 2025

【Attachment III】

Execution Report on the Third Domestic Unsecured Convertible Corporate Bonds Raised and Issued in 2022

1. In accordance with the provisions of Article 246 of the Company Law.
2. In order to expand the factory and improve the working capital, the company issued the third domestic unsecured convertible corporate bonds on July 13, 2022 totaling NT\$1 billion. The conditions for the issuance of corporate bonds are as follows:
 - (1) Total issuance: NT\$ one billion ten million.
 - (2) Issue period: 5 years, from July 13, 2022 to July 13, 2027.
 - (3) Face value: NT\$100,000.
 - (4) Issue price: The total number of issued sheets is 10,000 sheets, and the total issued face value is NT\$ NT\$1 billion, which is issued at 101% of the face value.
 - (5) Coupon Rate: 0%。
 - (6) Repayment method: Except for the conversion into common stocks of the company in accordance with Article 10 of these Rules, or the exercise of the redemption rights in accordance with Article 19 of this Rules, or early redemption by the Company in accordance with Article 18 of these Rules, or the buyback by the Company from over-the-counter market for cancellations, the company will repay the convertible corporate bonds held by the bondholders in cash within ten business days after the maturity of the convertible corporate bonds according to the face value of the bonds.
3. The planned items and implementation status are as follows, the current implementation progress of the plan:

- (1) Estimated fund utilization progress of planned items:

Unit: NTD thousand

Planned Item	Estimated Finish Time	Total Funds Required	Estimated Fund Utilization Progress								
			2022		2023				2024		
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Plant Construction	Q3 2024	640,000	2,925	2,925	108,190	53,758	94,868	103,017	79,876	96,882	97,559
Working Capital Improvement	Q1 2023	370,000	150,000	150,000	70,000	—	—	—	—	—	—
Total		1,010,000	152,925	152,925	178,190	53,758	94,868	103,017	79,876	96,882	97,559

- (2) The fund utilization status by the end of the first quarter in 2025:

Unit: NTD thousand

Project	Total Funds	Execution situation		Cumulative as of the first quarter of 2025
Plant Construction	640,000	Amount of Payout	Expected	640,000
			Actual	239,517
		Implementation progress	Expected	100.00%
			Actual	37.42%
Working Capital Improvement	370,000	Amount of Payout	Expected	370,000
			Actual	370,000
		Implementation progress	Expected	100.00%
			Actual	100.00%
Total	1,010,000	Amount of Payout	Expected	1,010,000
			Actual	609,517
		Implementation progress	Expected	100.00%
			Actual	60.35%

4. The convertible date of the Company's bonds is October 14, 2022. As of April 12, 2025, a total of 6,187 bonds have been converted, resulting in 9,536,998 common shares converted. There are still 3,813 bonds remaining unconverted, with a conversion rate of 61.87 %.

【Attachment IV】

Report on the Execution Status of the 12th Share Repurchase Program

Unit: New Taiwan Dollars (NTD)

Item	Content
Repurchase Program	12th Round
Board Resolution Date	April 9, 2025
Purpose of Repurchase	To maintain the Company's credit and protect shareholders' rights and interests
Repurchase Period	April 10, 2025 – June 9, 2025
Type and Quantity of Shares Repurchased	641,000 shares
Amount of Shares Repurchased	NTD 46,387,236
Average Cost per Share	NTD 72.37
Number of Shares Cancelled or Transferred	0 shares
Accumulated Number of Treasury Shares Held	3,464,000 shares
Percentage of Treasury Shares to Total Issued Shares	3.2%

Note: As the repurchase period ends on June 9, 2025, the repurchase is still in progress. Final figures will be updated and reported at the shareholders' meeting.

【Attachment V】

E&R Engineering Corp. (the “Company”) Corporate Governance Best Practice Principles (Translation)

Chapter I General Principles

Article 1

In order to establish sound corporate governance systems, Delta Electronics, Inc. (the "Company") formulates the Corporate Governance Best Practice Principles and discloses them through the Market Observation Post System (MOPS) pursuant to the Corporate Governance Best Practice Principles (the "Principles") adopted by the Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX).

Article 2

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the functions of the Board of Directors
3. Respect the rights and interests of stakeholders.
4. Enhance information transparency

Article 3

The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies, relevant internal rules and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department

at least annually and the reports of the internal audit department on a quarterly basis. Directors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company is advised to establish channels and mechanisms of communication between their independent directors, audit and risk committees or supervisors, and chief internal auditors, and the convener of the audit and risk committee or supervisors shall report their communication with the independent directors and chief internal auditors at the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be submitted by the chief auditor to the Chairman for approval.

Article 3-1

The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, accounting affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings
according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting directors with onboarding and ongoing training.

4. Providing directors with necessary information for the execution of their duties.
5. Assisting directors in complying with relevant laws and regulations.
6. Reporting to the Board of Directors the results of the qualification review of independent directors during nomination, election, and tenure in accordance with relevant laws and regulations.
7. Handling matters related to changes in directorships.
8. Performing other matters as stipulated in the Company's Articles of Incorporation or by agreement.

Chapter II: Protection of Shareholders' Rights and Interests

Section 1: Encouraging Shareholders to Participate in Corporate Governance

Article 4

Corporate governance system, The Company shall take the protection of shareholders' rights and interests and treat all shareholders fairly. The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings. Resolutions adopted by shareholders meetings of The Company shall comply with laws, regulations and articles of incorporation.

Article 6

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements. For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7

The Company shall encourage its shareholders to actively participate in corporate governance.

It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting result the same day, namely the numbers of votes cast for and against and the number of abstentions, on the MOPS.

Article 8

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors. The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will. In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company. To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English. To protect its shareholders' rights and interests and ensure their equal treatment, a TWSE/TPEX listed company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market. The foregoing specifications should include stock dealing control measures from the date when the insiders of the Company became aware of the Company's financial report or related performance. It includes (but not limited to) directors are not allowed to trade their shares during the 30 days before the announcement of the annual financial report, and the closed period of 15 days before the announcement of the quarterly financial report.

Article 11

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector. The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company. The board of directors, audit committee or supervisors, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection

Article 12

The Company shall handle major financial and business activities, such as the acquisition or disposal of assets, lending of funds, and provision of endorsements or guarantees, in accordance with relevant laws and regulations. Related operating procedures shall be established and submitted to the shareholders' meeting for approval in order to safeguard shareholders' rights and interests.

Article 13

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes. The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors or managers in performing their duties.

Section 2 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15

Unless otherwise provided by law or approved by the Board of Directors, the Company's managerial officers shall not concurrently serve as managerial officers of affiliated enterprises. If a Director of the Company engages in business within the scope of the Company's operations for themselves or on behalf of others, they shall explain the material aspects of such conduct to the shareholders' meeting and obtain its approval.

Article 16

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17

When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and

reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

The written specification in the preceding paragraph shall include management procedures for transactions such as purchase and sale of goods, acquisition or disposal of assets, capital lending, and endorsement guarantees, and relevant major transactions shall be submitted to the board of directors for resolution and approval, and to the shareholders' meeting for approval or report.

Article 18

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative of a corporate shareholder appointed due to being elected as a director shall possess the professional qualifications required by the Company.

Article 19 (List of Major Shareholders and Ultimate Controllers of Major Shareholders)

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders. The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters

that may possibly trigger a change in the ownership of their shares. The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

Chapter III Enhancing the Function of Board of Directors

Section 1 Structure of Board of Directors

Article 20

The board of directors of the Company shall guide company strategy, oversee management, and be responsible to the company and shareholders meetings. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings. The structure of The Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall consider diversity, except that directors who also serve as managers of the company shall not exceed one-third of the number of directors, and formulate an appropriate diversity policy based on their own operation, operation type and development needs, which should include but not limited to the following

Two oriented standards:

1. Basic conditions and values: gender, age, nationality and culture, etc. Among them, the ratio of female directors should reach one-third of the number of directors.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The members of the board of directors shall generally possess the knowledge, skills and experience necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.

4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.
9. Ability to conduct sustainability management.

Article 21

The Company shall follow the principles of protecting shareholders' rights and treating shareholders fairly, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and shall adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views. Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of The Company. When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s). The aggregate shareholding percentage of all of the directors of The Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22

The responsibilities of the Chairman and the President (or General Manager) of the Company shall be clearly delineated.

Section 2 Independent Director System

Article 23

The Company shall appoint a number of Independent Directors in accordance with its Articles of Incorporation.

Independent Directors shall possess professional expertise, and their shareholdings shall be subject to restrictions. They shall maintain independence within the scope of their duties and shall not have any direct or indirect interest in the Company.

Independent and non-independent directors shall not change their status during their term of office.

Matters concerning the professional qualifications of Independent Directors, restrictions on shareholding and concurrent positions, criteria for determining independence, nomination procedures, and other requirements shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and relevant rules of the Taipei Exchange.

Article 24

The Company shall submit the following matters to the board of directors for approval by resolution. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

1. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
2. A matter bearing on the personal interest of a director.
3. A material asset or derivatives transaction.
4. A material monetary loan, endorsement, or provision of guarantee.
5. The offering, issuance, or private placement of any equity-type securities.
6. The hiring, discharge, or compensation of an attesting CPA.
7. The appointment or discharge of a financial, accounting, or internal auditing officer.
8. Any other material matter so required by the competent authority.
9. Other material matters as stipulated by the competent authority.

Article 25

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

Section 3 Functional Committees

Article 26

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the size of the company, business type and the number of board of directors may set up functional committees. Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 27

The Company's Audit Committee shall be composed of all independent directors, with no fewer than three members. One of them shall serve as the convener, and at least one member shall have accounting or financial expertise.

The exercise of powers and related matters of the Audit Committee and its independent director members shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the relevant regulations of the stock exchange or over-the-counter trading center.

Article 28

More than half of the members of the Company's Remuneration Committee shall be independent directors. Matters concerning the professional qualifications of its members, the exercise of powers, the establishment of organizational rules, and related matters shall be handled in accordance with the "Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-1

The Company is advised to establish and announce internal and external whistleblowing channels and implement a whistleblower protection system.

Article 29

To enhance the quality of financial reporting, the Company shall appoint a deputy for the position of the accounting officer. The deputy shall receive continuing education annually equivalent to that required for the accounting officer, to strengthen their professional competence.

The Company shall engage professional, responsible, and independent certified public

accountants (CPAs) to regularly audit the Company's financial condition and internal controls. The Company shall thoroughly review and improve upon any irregularities or deficiencies identified and disclosed by the CPAs during the audit process, as well as the specific improvement or preventive recommendations provided.

The Company shall, at least once a year, refer to Audit Quality Indicators (AQIs) to evaluate the independence and competence of the engaged CPAs and shall report the evaluation results to the Board of Directors.

Article 30

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require. The independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings of Board Meetings and the Decision-Making Procedures

Article 31

The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors. The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32

Company directors shall exercise a high degree of self-discipline. If a director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter. Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33

Independent directors of the Company shall personally attend board meetings when matters requiring resolution under Article 14-3 of the Securities and Exchange Act are presented to the board, and may not appoint non-independent directors as their proxy. If an independent director has any dissenting or qualified opinions, such opinions shall be recorded in the minutes of the board meeting. If an independent director is unable to attend the board meeting in person to express such opinions, a written statement shall be submitted in advance, stating the reasons for the dissent or reservations, and such written statement shall be included in the board meeting minutes, unless there is a legitimate reason not to do so.

If any of the following circumstances arise from board resolutions, they shall not only be recorded in the minutes but also be publicly announced and filed through the Market Observation Post System (MOPS) before two hours after the start of trading on the next business day following the board meeting:

1. An independent director expresses dissenting or qualified opinions that are recorded or submitted in writing.
2. For companies with an audit committee, where a matter is not approved by the audit committee but is approved by at least two-thirds of all directors.

During board meetings, depending on the agenda items, relevant non-director managerial personnel may be invited to attend to report on the current state of the Company's operations and respond to directors' inquiries. When necessary, accountants, legal counsel, or other professionals may also be invited to attend to assist the directors in understanding the Company's status and making appropriate decisions. However, such invitees shall leave the meeting during the discussion and voting sessions.

Article 34

The personnel responsible for recording the proceedings of the Company's Board of Directors shall accurately document meeting reports, summaries of discussions on each proposal, methods of resolution, and voting results in accordance with relevant regulations.

The minutes of board meetings must be signed or sealed by the meeting chairperson and the recorder, and shall be distributed to all directors within twenty days after the meeting. The board meeting attendance register shall be deemed part of the meeting minutes and must be included in the Company's important records, to be properly and permanently preserved for the duration of the Company's existence.

The preparation, distribution, and preservation of meeting minutes may be conducted electronically.

The entire proceedings of board meetings shall be recorded in audio or video format for documentation purposes, and such recordings shall be retained for at least five years.

Electronic storage is permitted.

If legal proceedings relating to board resolutions arise before the expiration of the aforementioned retention period, the relevant audio or video recordings shall continue to be preserved and the original retention period shall not apply.

For board meetings held via video conferencing, the audio and video recordings of the meeting shall be considered part of the meeting minutes and shall be preserved permanently.

If a resolution of the board of directors violates laws, the articles of incorporation, or resolutions of the shareholders' meeting and causes damage to the Company, any director who has expressed opposition, which is recorded or declared in writing, shall not be held liable for compensation.

Article 35

The Company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Financial reports
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation.

However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36

The Company shall clearly assign resolutions passed by the Board of Directors to appropriate execution units or personnel, requiring them to carry out the tasks according to the planned schedule and objectives. These tasks shall also be included in tracking and management mechanisms to ensure effective performance evaluation of their implementation.

The Board of Directors shall closely monitor the progress of execution and present a report at the next board meeting, so as to ensure the effective implementation of the board's business decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of

incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors. When a director of the company resigns or is reassigned under Article 27, Paragraph 3 of the Company Act, the resigned director or corporate shareholder shall immediately notify the company and the corporate governance supervisor. The company shall arrange professional training for its directors, and the directors shall take three hours of training in each year of on duty. However, if the term of office of the current director has not expired in 2023, it may be applied from the next term of office. It is advisable that the company formulate rules and procedures for board of directors performance assessments, and that each year it conduct regularly scheduled performance assessments of the board of directors, functional committees, and individual directors through self-assessment, peer-to-peer assessments, engaging outside professional institutions, or in any other appropriate manner. It is advisable that the performance assessment of the board of directors include the following aspects, and that appropriate assessment indicators be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

It is advisable that performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls

It is advisable that the company may conduct the performance assessment of a functional committee cover the following aspects, subject to changes according to the company's needs:

1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of

committee members.

5. Internal control.

The company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1

The board of directors evaluate and supervise the company's intellectual property operation direction and performance on the following aspects to ensure that the company establishes a intellectual property management system with a management cycle of "planning, execution, inspection and action":

1. Formulate policies, objectives and systems for intellectual property management related to operating strategies.
2. Establish, implement, and maintain management systems for the acquisition, protection, maintenance, and use of intellectual property according to scale and type.
3. Determine and provide the resources necessary to effectively implement and maintain the intellectual property management system.
4. Observe internal and external risks or opportunities related to intellectual property management and take corresponding measures.
5. Plan and implement a continuous improvement mechanism to ensure that the operation and effectiveness of the intellectual property management system are in line with the company's expectations.

Article 37-1

The Company is advised to establish a succession plan for its management and to regularly report the development and implementation of such plan to the Board of Directors to ensure sustainable operations.

Article 38

If a resolution of the Board of Directors violates laws or the Articles of Incorporation, and shareholders who have continuously held shares for one year or more, or an independent director, requests the Board to cease implementation of such resolution, the Board members shall promptly and appropriately handle the matter or cease the implementation.

If any member of the Board becomes aware that the Company is likely to suffer material damage, they shall immediately report the matter to the Audit Committee or the independent directors on the Committee.

Article 39

The company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director. The company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of The Company, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter IV Respecting Stakeholders' Rights

Article 41

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders, and shall respect and safeguard their legal rights. When the Company is involved in a management buyout, it shall monitor the subsequent soundness of the company's financial structure. When The Company is involved in a management buyout, it shall monitor the subsequent soundness of the company's financial structure. When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 42

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or supervisors so as to reflect employees' opinions about the management, financial conditions, and material

decisions of the company concerning employee welfare.

Article 44

In developing its normal business and maximizing the shareholders' interest, The Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45

The Company shall faithfully fulfill its obligation of information disclosure in accordance with relevant laws and regulations.

The Company is encouraged to announce and file its first, second, and third quarter financial reports, annual financial report, and monthly operating results ahead of the statutory deadlines.

The Company shall establish an online reporting system for public information disclosure, designate responsible personnel to collect and disclose company information, and implement a spokesperson system to ensure that information which may affect the decisions of shareholders and stakeholders is disclosed in a timely and appropriate manner.

Article 46

In order to enhance the accuracy and timeliness of the material information disclosed, The Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will. The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47

In order to keep shareholders and stakeholders fully informed, The Company shall utilize the

convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 48

The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the PMOPS and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49

The Company shall set up a special area on website to disclose the following related corporate governance information and keep it updated:

1. Board of Directors: such as the resumes of board members and their responsibilities, the diversity policy and implementation of board members.
2. Functional committees: such as the resumes of the members of each functional committee and their responsibilities.
3. Regulations related to corporate governance: such as the Articles of Incorporation, the procedures for the board of directors and the Chart of functional committees and relevant corporate governance regulations.
4. Important information related to corporate governance: such as information on setting up Corporate Governance Officer.

The Company shall, based on the actual implementation of its corporate governance practices, disclose the measures it has taken to improve corporate governance in an appropriate manner.

Chapter VI Supplementary Provisions

Article 50

The Company shall at all time monitor domestic and international developments in corporate governance as a basis for review and improvement of the Company's own corporate

governance mechanisms, so as to enhance their effectiveness.

Article 51

This Principles, and any amendments hereto, shall enter into force after adoption by the board of directors.

【Attachment VI】

E&R Engineering Corp. (the “Company”) Sustainable Development Practice Principles

Chapter I General Principles

Article 1

To fulfill Company's corporate social responsibility as well as to promote economic, environmental, and social progression to achieve sustainable development, this Code of Practice is established to provide a dependable reference for business operations with reference to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” established by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX).

Article 2

This Practice Principles encompasses the overall operations of the Company and the overall operations of its group enterprises. During the course of business management, the Company shall actively fulfill our sustainable development to follow international development trends. In addition, the Company shall assume the accountability incorporated in corporate citizenship to contribute to the national economy; improve the quality of life of employees, the community, and society; and build up a competitive advantage based on sustainable development.

Article 3

In promoting sustainable development initiatives, the Company shall respect the rights and benefits of stakeholders. In addition to the pursuit of sustainable management and profit, the Company shall also pay attention to factors such as environmental, social, and corporate governance dimensions, so that they can be incorporated into the company's management guidelines and business activities. The Company shall apply the Materiality principle assess risks of environmental, social, and corporate governance dimensions that pertain to the Company's business activities and shall formulate risk management policy or strategy.

Article 4

The Company shall adhere to the following principles in the practice of our sustainable development:

1. Promote corporate governance.
2. Develop a sustainable environment.
3. Protect social welfare.

4. Strengthen disclosure of corporate sustainable development information.

Chapter II Exercising of Corporate Governance

Article 5

The directors of the Company shall exercise the duty of care as prudent managers to oversee the implementation of sustainable development, regularly review its effectiveness, and continuously improve to ensure the fulfillment of sustainable development policies.

Article 6

The Company may regularly conduct education and training related to the promotion of sustainable development.

Article 7

To strengthen sustainable development management, the Company should establish a governance framework for promoting sustainable development, and set up dedicated or concurrent units responsible for proposing and implementing sustainable development policies, systems, management guidelines, and specific action plans.

Article 8

The Company should establish reasonable compensation policies to ensure alignment with organizational strategic goals and the interests of stakeholders. The employee performance evaluation system should integrate sustainable development policies and include clear and effective reward and disciplinary mechanisms.

Article 9

Respecting the rights of stakeholders, the Company shall identify its stakeholders and establish a Stakeholder Section on its website. Through appropriate communication channels, it shall understand stakeholders' reasonable expectations and needs and appropriately respond to important sustainability issues they are concerned with.

Chapter III Fostering a Sustainable Environment

Article 10

The Company shall comply with environmental regulations and relevant international standards, appropriately protect the natural environment, and strive to achieve environmental sustainability in its operational activities and internal management.

Article 11

The Company shall endeavor to improve energy efficiency and use environmentally friendly and low-impact renewable materials to ensure the sustainable utilization of global resources.

Article 12

The Company should establish appropriate environmental management systems according to its industry characteristics, including:

1. Collecting and assessing timely and sufficient information on the environmental impact of its operations.
2. Establishing measurable environmental sustainability targets and periodically reviewing their sustainability and relevance.

Article 13

The Company should establish a dedicated unit or designate personnel for environmental management to formulate, implement, and maintain relevant environmental management systems and specific action plans and regularly conduct environmental education courses for management and employees.

Article 14

The Company shall consider the ecological benefits of its operations, promote and advocate sustainable consumption, and engage in R&D, procurement, production, operations, and service activities according to the following principles to reduce impacts on the natural environment and humanity:

1. Reduce resource and energy consumption in products and services.
2. Minimize the emission of pollutants, toxic substances, and waste, and properly handle waste.
3. Enhance the recyclability and reuse of materials or products.
4. Maximize the sustainable use of renewable resources.
5. Extend product durability.
6. Improve the efficiency of products and services.

Article 15

To enhance water resource efficiency, the Company shall properly and sustainably use water resources and formulate relevant management measures.

The Company shall avoid polluting water, air, and land; minimize adverse effects on human health and the environment; and adopt best available pollution prevention and control technologies.

Article 16

The Company shall assess the potential risks and opportunities climate change poses to its current and future operations and take corresponding measures.

The Company is encouraged to adopt internationally recognized standards or guidelines to

conduct and disclose greenhouse gas (GHG) inventories, which should include:

1. Direct GHG emissions: emissions from sources owned or controlled by the Company.
2. Indirect GHG emissions: emissions resulting from the generation of purchased electricity, heat, or steam.
3. Other indirect emissions: emissions related to the Company's activities but occurring from sources owned or controlled by other entities.

The Company should compile statistics on GHG emissions, water usage, and total waste volume, and formulate policies on energy conservation, GHG reduction, water conservation, and waste management.

Chapter IV Protection of Social Welfare

Article 17

The Company shall comply with relevant laws and regulations and follow international human rights conventions, including gender equality, labor rights, and non-discrimination. It shall adhere to internationally recognized labor rights standards, ensuring its human resources policies are free from discrimination based on gender, race, socioeconomic status, age, marital or family status, and promote equal and fair treatment regarding employment, compensation, benefits, training, evaluation, and promotion.

For any issues affecting labor rights, the Company shall provide effective and appropriate grievance mechanisms to ensure equal and transparent processes. Grievance channels should be simple, convenient, accessible, and employees' complaints should be appropriately addressed.

Article 18

The Company shall provide employees with information to ensure they are aware of labor laws and their rights in the countries where the Company operates.

Article 19

The Company shall provide employees with a safe and healthy work environment, including necessary health and emergency facilities, and strive to reduce safety and health hazards to prevent occupational accidents.

The Company should conduct regular safety and health training for employees.

Article 20

The Company shall create a favorable environment for employees' career development and establish effective training programs for career skill development.

The Company shall implement reasonable employee welfare measures (including salaries, leave, and other benefits) and appropriately reflect business performance in its compensation policies to ensure the recruitment, retention, and motivation of human resources, thereby achieving sustainable operations.

Article 21

The Company shall establish regular communication channels with employees, allowing them access to information on company management activities and decisions, and the right to express their opinions.

The Company shall respect the rights of employees' representatives to negotiate working conditions and provide the necessary information and facilities to promote negotiation and cooperation between employers, employees, and employee representatives.

The Company shall reasonably notify employees of any major operational changes that may significantly affect them.

Article 22

The Company shall comply with government laws and industry regulations to ensure the quality of products and services.

The Company must adhere to relevant laws and international standards regarding customer health and safety, privacy, marketing, and labeling, and must not engage in fraudulent, deceptive, or other acts that harm consumer trust and interests.

Article 23

The Company shall assess and manage various risks that may disrupt operations to minimize impacts on consumers and society.

The Company should provide transparent and effective consumer complaint procedures, handle complaints fairly and promptly, and comply with personal data protection laws to respect consumers' privacy and protect personal data provided by consumers.

Article 24

The Company shall assess the environmental and social impact of its procurement activities and collaborate with suppliers to fulfill corporate social responsibility. Before establishing business relations, the Company should evaluate whether suppliers have records of environmental or social violations to avoid engaging with those that conflict with the Company's CSR policies.

Article 25

The Company shall evaluate the impact of its operations on local communities and, where appropriate, hire local employees to enhance community identity.

The Company should participate in community development and education initiatives through commercial activities, in-kind donations, corporate volunteer services, or other public welfare services, and collaborate with civic organizations, charitable groups, and local governments to promote community development.

Chapter V Strengthening Disclosure of Sustainability Information

Article 26

The Company shall disclose information according to relevant regulations and Corporate Governance Best Practice Principles for Listed and OTC Companies, providing sufficient, relevant, and reliable information on sustainable development to enhance information transparency.

Article 27

The Company's sustainability report shall adopt internationally recognized standards or guidelines for disclosure of sustainability efforts and should obtain third-party verification or assurance to enhance information reliability.

The report should include:

1. Implementation of sustainable development policies, systems, management guidelines, and specific action plans.
2. Major stakeholders and their concerned issues.
3. The Company's performance and review in corporate governance, environmental sustainability, social welfare, and economic development.
4. Future improvement directions and goals.

Chapter VI Supplementary Provisions

Article 28

The Company shall stay informed of developments in domestic and international sustainability standards and changes in the business environment, reviewing and improving its sustainable development practices accordingly to enhance effectiveness.

Article 29

These Principles shall be implemented after approval by the Board of Directors. Any amendments shall follow the same procedure.

Independent Auditors' Report

E&R ENGINEERING CORPORATION The Board of Directors and Shareholders :

Audit opinion

E&R ENGINEERING CORPORATION and its subsidiaries (hereinafter referred to as E&R Group) consolidated balance sheets as of December 31, 2024 and 2023, as well as the consolidated statements of comprehensive income for the period from January 1, 2024 to December 31, 2024 and January 1, 2023 to December 31, 2023, consolidated statements of changes in equity, consolidated statements of cash flows, and notes on consolidated financial statements (including summary of significant accounting policies) have been audited by our auditor.

In the opinion of the auditor, the accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Financial Supervisory Commission approved and issued International Financial Reporting Standards, International Accounting Standards, interpretations, and Statement on Internal Control (SIC), sufficient to fair present the consolidated financial position of the E&R Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the period from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023.

Basis for opinions

The auditor conducted the audit in accordance with the rules for the audit of financial statements and Auditing Standards. The responsibilities of the auditor under those standards will be further explained in the responsibilities section of the audit of the consolidated financial statements. The personnel of the firm to which this auditor belongs have maintained their independence from the E&R Group in accordance with the International Code of Ethics for Professional Accountants (IESBA Code) and fulfilled other responsibilities under that code. The auditor believes that sufficient and appropriate audit evidence has been obtained to serve as the basis for opinions on the audit.

Key audit matters

Key audit matters refer to the matters that are of most significance in the audit of the E&R Group's consolidated financial statements for the year ended December 31, 2024, based on the professional judgment of the auditor. These matters have been addressed during the audit process of the consolidated financial statements as a whole and in forming the audit opinion, the accountant does not express an opinion on these matters separately.

The key audit matters of the E&R Group's consolidated financial statements for the year 2024 are described as follows:

I. Inventory Valuation

For accounting policies regarding inventories, please refer to Notes on Consolidated Financial Statements 4(8); for accounting estimates and assumptions uncertainty related to inventory valuation, please refer to Notes on Consolidated Financial Statements 5(2)6.; for the valuation status of inventories, please refer to Notes on Consolidated Financial Statements 6(5).

Key audit matters explanation:

E&R Group as of December 31, 2024, the inventories, net amounted to 897,451 thousand, accounting for total assets 22%. Due to the rapid changes in technology, there is a risk that the inventory may no longer meet market demand or become obsolete due to the fast changes in product demand and technology, resulting in the inventory value being lower than the carrying amount. Therefore, the valuation of inventory is recognized as key audit matters.

Audit procedures in response to:

The main audit procedures of the auditor include confirming the appropriateness of the inventory valuation allowance method based on an understanding of the nature and aging of the products; testing the carrying value of inventories, assessing the reasonableness of changes in allowance for inventory valuation losses; obtaining the company's inventory aging status report and comparing the actual write-off situation of past allowances, and participating in the year-end inventory count, during which the condition of the inventory is assessed to evaluate the appropriateness of the allowance for inventory valuation losses for obsolete and damaged goods.

II. Revenue Recognition

For accounting policies regarding revenue recognition, please refer to Notes on Consolidated Financial Statements 4(18); for accounting estimates and assumptions uncertainty related to revenue recognition, please refer to Notes on Consolidated Financial Statements 5(1)1. and 5(2)1.; for explanations on revenue recognition, please refer to Notes on Consolidated Financial Statements 6(27).

Key audit matters explanation:

Operating revenue is a key indicator for investors and management to assess the financial or operational performance of E&R Group. Given the significant impact of the timing and amount of revenue recognition on financial reporting, the testing of revenue recognition has been identified as a key audit matter.

Audit procedures in response to:

The main audit procedures performed by the auditor include testing the design and operating effectiveness of internal controls over revenue, reviewing significant customer orders; testing samples of sales transactions before and after the year-end to assess the accuracy of revenue recognition during the period.

Others

E&R ENGINEERING CORPORATION has prepared the Parent Company Only Financial Statement for the years 2024 and 2023, which has been audited by our accountants and accompanied by an unqualified opinions report for reference.

The management and governance units are responsible for the consolidated financial statements.

The responsibility of management is to prepare the Regulations Governing the Preparation of Financial Reports by Securities Issuers in accordance with the Financial Supervisory Commission approved and issued International Financial Reporting Standards, International Accounting Standards, interpretations, and Statement on Internal Control (SIC) to present a fair expression of the consolidated financial statements, and to maintain necessary internal controls related to the preparation of the consolidated financial statements to ensure that the consolidated financial statements do not contain any material misstatements due to fraud or error.

In preparing the consolidated financial statements, the responsibility of management also includes assessing the E&R Group's ability to continue as a going concern, the disclosure of relevant matters, and the adoption of the going concern accounting basis, unless management intends to liquidate the E&R Group or cease operations, or there are no other viable alternatives other than liquidation or cessation.

E&R Group's governance unit (including the audit committee) is responsible for overseeing the financial reporting process.

The responsibility of the auditor in auditing the consolidated financial statements.

The purpose of the audit of the consolidated financial statements by this auditor is to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with Auditing Standards does not guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error. If the misrepresentation of individual amounts or aggregate figures is reasonably expected to affect the economic decisions made by users of the consolidated financial statements, it is considered material.

The auditor conducted the audit in accordance with Auditing Standards, exercising professional judgment and professional skepticism. The auditor also performed the following tasks:

1. Identify and assess the significant misstatement risks in the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for opinions. The risk of significant misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, misstatements, or circumvention of internal controls.
2. To obtain the necessary understanding of internal controls relevant to the audit, in order to design appropriate audit procedures under the circumstances at that time, but the purpose is not to express an opinion on the effectiveness of the internal controls of E&R Group.
3. Assess the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, a conclusion is made regarding the appropriateness of the management's use of the going concern accounting basis and whether there are significant uncertainties regarding events or conditions that may cast significant doubt on the ability of the E&R Group to continue as a going concern. If the auditor believes that there is significant uncertainty regarding such events or circumstances, they must alert the users of the consolidated financial statements in the audit report to the relevant disclosures of the consolidated financial statements, or modify the audit opinion if those disclosures are inappropriate. The conclusion of this auditor is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause the E&R Group to no longer have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including related notes), and whether the consolidated financial statements appropriately fair express the relevant transactions and events.
6. To obtain sufficient and appropriate audit evidence regarding the financial information of the entities comprising the E&R Group, in order to express an opinion on the consolidated financial statements. The auditor is responsible for the guidance, supervision, and execution of audit cases, and is responsible for forming the audit opinion of the E&R Group.

The matters communicated by this accountant with the governance unit include the planned audit scope and timing, as well as significant audit findings (including significant deficiencies in internal control identified during the audit process).

This auditor also provides the governing unit with a statement regarding the independence standards adhered to by personnel of the accounting firm to which this accountant belongs, as outlined in the International Code of Ethics for Professional Accountants (IESBA Code), and communicates with the governing unit all relationships and other matters that could be perceived as affecting the accountant's independence (including relevant safeguards).

The auditor decided on the E&R Group's audit of the consolidated financial statements for the year ended 2024 based on matters communicated with the governance unit regarding the key audit matters. The auditor states in the audit report that, unless the law prohibits the public disclosure of specific matters, or in very rare circumstances, the auditor decides not to communicate specific matters in the audit report because it can be reasonably expected that the negative impact of such communication would outweigh the public interest it would serve.

Crowe (TW) CPAs

CPA: Hsieh, Jen-Yao

CPA: Lee, Kuo-Ming

Approval Document Number:

Financial-Supervisory-Securities-Auditing-Order
No. 10200032833

Approval Document Number:

Financial-Supervisory-Securities-Auditing-Order
No. 1100145994

March 6, 2025

E&R ENGINEERING CORPORATION And Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NTD Thousands

		December 31, 2024		December 31, 2023	
Code	Assets	Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents (Note 6(1))	\$ 730,387	17	\$ 846,413	20
1110	Financial assets at fair value through profit or loss – current (Note 6(2))	233,751	6	343,961	8
1150	Notes receivable, net (Note 6(3))	6,997	-	5,665	-
1170	Accounts receivable, net (Note 6(4))	524,768	12	435,664	10
1200	Other receivables	6,311	-	7,345	-
1220	Current tax assets	118	-	42	-
130x	Inventories (Note 6(5))	897,451	22	1,038,844	27
1410	Prepayments	98,537	2	61,375	1
1476	Other financial assets – current (Note 6(6))	117,419	3	342,633	8
11xx	Total Current Assets	2,615,739	62	3,081,942	74
Noncurrent Assets					
1517	Financial assets at fair value through other comprehensive income or loss – noncurrent (Note 6(7))	84,619	2	51,270	1
1600	Property, plant and equipment (Note 6(8))	1,259,492	31	750,964	19
1755	Right-of-use assets (Note 6(9))	165,523	4	177,928	4
1780	Intangible assets (Note 6(10))	13,739	-	16,668	-
1840	Deferred tax assets (Note 6(33))	44,884	1	51,799	1
1920	Refundable deposit (Note 6(11))	11,828	-	11,288	1
1960	Prepayments for investments	-	-	10,000	-
1980	Other financial assets – noncurrent (Note 8)	5,900	-	6,900	-
15xx	Total Noncurrent Assets	1,585,985	38	1,076,817	26
1xxx	Total Assets	\$ 4,201,724	100	\$ 4,158,759	100
Liabilities and Equity					
Current Liabilities					
2100	Short-term loans (Note 6(12))	\$ 5,000	-	\$ 97,000	2
2130	Contract liabilities – current (Note 6(27))	29,347	1	23,038	1
2150	Notes payable	3,814	-	3,652	-
2170	Accounts payable	212,684	5	186,032	4
2200	Other payables (Note 6(13))	162,168	4	142,547	3
2230	Current tax liabilities	417	-	22,962	1
2250	Provisions - liability – current (Note 6(14))	35,446	1	31,461	1
2280	Lease liabilities – current (Note 6(9))	19,806	-	21,788	1
2310	Advance receipts (Note 6(18))	854	-	398	-
2320	Long-term liabilities, current portion (Note 6(15))	26,029	1	17,172	-
21xx	Total Current Liabilities	495,565	12	546,050	13

(Continued)

(Continued)

Code	Liabilities and Equity	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Noncurrent Liabilities				
2500	Financial liabilities at fair value through profit or loss – noncurrent (Note 6(2))	-	-	9,700	-
2530	Bonds payable (Note 6(16))	373,695	9	946,295	24
2540	Long-term loans (Note 6(17))	282,502	7	72,923	2
2570	Deferred tax liabilities (Note 6(33))	3,251	-	276	-
2580	Lease liabilities - noncurrent (Note 6(9))	119,094	3	131,450	3
2630	Long-term deferred revenue (Note 6(18))	21,912	1	22,053	1
2640	Net defined benefit liabilities - noncurrent (Note 6(19))	4,912	-	9,584	-
2645	Guarantee deposits received (Note 9(7))	71,056	1	71,056	1
25xx	Total Noncurrent Liabilities	876,422	21	1,263,337	31
2xxx	Total Liabilities	1,371,987	33	1,809,387	44
	Equity				
	Equity attributable to owners of parent				
3100	Share capital (Note 6 (20))				
3110	Ordinary Shares	1,064,275	26	985,954	24
3130	Bond conversion entitlement certificates	18,026	-	-	-
3140	Capital collected in advance	1,468	-	-	-
3200	Capital surplus (Note 6(21))	1,734,570	41	1,237,824	29
3300	Retained earnings (Note 6(23))				
3310	Legal reserve	77,177	2	77,177	2
3320	Special reserve	31,456	1	36,409	1
3350	Unappropriated earnings	56,412	1	166,014	4
3400	Other equity (Note 6(24))	(2,704)	-	(31,456)	(1)
3500	Treasury shares (Note 6(25))	(166,725)	(4)	(166,725)	(4)
31xx	Total equity attributable to owners of parent	2,813,955	67	2,305,197	55
36xx	Non-controlling interests (Note 6(26))	15,782	-	44,175	1
3xxx	Total Equity	2,829,737	67	2,349,372	56
	Total Liabilities and Equity	\$ 4,201,724	100	\$ 4,158,759	100

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION And Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

Code	Item	2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(27))	\$ 1,644,908	100	\$ 1,549,374	100
5000	Operating costs (Note 6(5))	(1,047,264)	(63)	(935,093)	(60)
5900	Gross profit (loss)	597,644	37	614,281	40
	Operating expenses				
6100	Selling expenses	(241,789)	(15)	(230,089)	(15)
6200	Administrative expenses	(228,427)	(14)	(163,978)	(11)
6300	Research and development expense	(252,464)	(15)	(207,420)	(13)
6450	Expected credit losses (reversal) (Note 6(4))	6,097	-	4,034	-
6000	Total operating expenses	(716,583)	(44)	(597,453)	(39)
6900	Income (loss) from operations	(118,939)	(7)	16,828	1
	Non-operating income and expenses				
7100	Interest income (Note 6(29))	13,515	1	23,639	1
7010	Other income (Note 6(30))	7,094	-	3,523	-
7020	Other gains and losses (Note 6(31))	65,361	4	15,819	1
7050	Finance cost (Note 6(32))	(20,377)	(1)	(21,494)	(1)
7000	Total non-operating income and expenses	65,593	4	21,487	1
7900	Income (loss) before income tax	(53,346)	(3)	38,315	2
7950	Income tax benefit (expense) (Note 6(33))	(5,513)	-	(14,740)	(1)
8200	Net income (loss)	(58,859)	(3)	23,575	1
	Other comprehensive income(loss) (Note 6(34))				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	1,966	-	(1,506)	-
8316	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	6,838	1	11,484	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(393)	-	301	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	21,051	1	(7,215)	-
8399	Items related to potential reclassification of items concerning income tax benefits (expenses)	(467)	-	214	-
8300	Total other comprehensive income (loss), net of income tax	28,995	2	3,278	-
8500	Total comprehensive income (loss)	\$ (29,864)	(1)	\$ 26,853	1
8600	Net income (loss) attributable to:				
8610	Owners of parent company (net income/loss)	\$ (51,125)	(3)	\$ 30,911	1
8620	Non-controlling interests	(7,734)	-	(7,336)	-
		\$ (58,859)	(3)	\$ 23,575	1
8700	Total comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ (23,169)	(1)	\$ 34,683	2
8720	Non-controlling interests	(6,695)	-	(7,830)	(1)
		\$ (29,864)	(1)	\$ 26,853	1
	Earnings (losses) per share				
9750	Basic earnings per share (Note 6(36))	\$ (0.51)		\$ 0.32	
9850	Diluted earnings per share (Note 6(36))	\$ (0.51)		\$ 0.32	

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION And Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

	Equity attributable to owners of parent												
	Share Capital				Retained Earnings				Other Equity Interest				
	Ordinary Shares	Bond Conversion Entitlement Certificates	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
Balance at January 1, 2023	\$ 1,007,703	\$ 3,026	\$ 125	\$ 1,271,597	\$ 38,028	\$ 11,185	\$ 459,625	\$ (8,934)	\$ (27,475)	\$ (188,316)	\$ 2,566,564	\$ 69,255	\$ 2,635,819
Appropriation of earnings:													
Legal reserve appropriated	-	-	-	-	39,149	-	(39,149)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	25,224	(25,224)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	-	(195,545)	-	-	-	(195,545)	-	(195,545)
Net profit (loss) for the year 2023	-	-	-	-	-	-	30,911	-	-	-	30,911	(7,336)	23,575
2023 Other comprehensive income	-	-	-	-	-	-	(1,181)	(6,531)	11,484	-	3,772	(494)	3,278
2023 Total comprehensive income (loss)	-	-	-	-	-	-	29,730	(6,531)	11,484	-	34,683	(7,830)	26,853
Conversion of certificates of bonds-to-share	3,026	(3,026)	-	-	-	-	-	-	-	-	-	-	-
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	(111,508)	(111,508)	-	(111,508)
Treasury shares canceled	(24,900)	-	-	(44,776)	-	-	(63,423)	-	-	133,099	-	-	-
The difference between equity price and book value of subsidiaries acquired or disposed of	-	-	-	5,434	-	-	-	-	-	-	5,434	(5,434)	-
Changes in percentage of ownership interest in subsidiaries	-	-	-	(480)	-	-	-	-	-	-	(480)	-	(480)
Share-based payments transaction	125	-	(125)	6,049	-	-	-	-	-	-	6,049	-	6,049
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,816)	(11,816)
Balance at December 31, 2023	985,954	-	-	1,237,824	77,177	36,409	166,014	(15,465)	(15,991)	(166,725)	2,305,197	44,175	2,349,372
Appropriation of earnings:													
Cash dividends of common stock	-	-	-	-	-	-	(49,829)	-	-	-	(49,829)	-	(49,829)
Reversal of special reserve	-	-	-	-	-	(4,953)	4,953	-	-	-	-	-	-
Net profit (loss) for the year 2024	-	-	-	-	-	-	(51,125)	-	-	-	(51,125)	(7,734)	(58,859)
2024 Other comprehensive income	-	-	-	-	-	-	1,430	19,688	6,838	-	27,956	1,039	28,995
2024 Total comprehensive income (loss)	-	-	-	-	-	-	(49,695)	19,688	6,838	-	(23,169)	(6,695)	(29,864)
Conversion of convertible bonds	-	94,227	-	487,378	-	-	-	-	-	-	581,605	-	581,605
Conversion of certificates of bonds-to-share	76,201	(76,201)	-	-	-	-	-	-	-	-	-	-	-
The difference between equity price and book value of subsidiaries acquired or disposed of	-	-	-	-	-	-	(12,805)	-	-	-	(12,805)	12,805	-
Share-based payments transaction	2,120	-	1,468	9,368	-	-	-	-	-	-	12,956	-	12,956
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(34,503)	(34,503)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(2,226)	-	2,226	-	-	-	-
Balance at December 31, 2024	\$ 1,064,275	\$ 18,026	\$ 1,468	\$ 1,734,370	\$ 77,177	\$ 31,456	\$ 56,412	\$ 4,223	\$ (6,927)	\$ (166,725)	\$ 2,813,955	\$ 15,782	\$ 2,829,737

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION And Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit:NTD Thousands

Item	2024	2023
Cash flows from operating activities		
Income (loss) before income tax	\$ (53,346)	\$ 38,315
Adjustments		
Reconcile profit item		
Depreciation	152,374	130,801
Amortization expense	8,574	9,515
Expected credit loss(benefit)	(6,097)	(4,034)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(23,646)	(16,513)
Interest expense	20,377	21,494
Interest income	(13,515)	(23,639)
Dividend income	(942)	(890)
Share-based benefit compensation cost	2,229	6,049
Loss (gain) on disposal of retirement of property, plant and equipment	916	(387)
Property, plant and equipment transferred to expenses	-	476
Proceeds from disposal of subsidiaries loss (gain)	-	(1,133)
Impairment loss on non-financial assets	4,524	-
Gain on lease modification	(132)	(1,468)
Others	587	(398)
Total adjustments to reconcile profit (loss)	145,249	119,873
Changes in operating assets and liabilities		
Net changes in operating assets		
Financial assets at fair value through profit or loss (increase) decrease	122,867	(222,605)
Notes receivable (increase) decrease	(1,333)	17,256
Accounts receivable (increase) decrease	(83,190)	320,321
Other receivables (increase) decrease	349	1,240
Inventories (increase) decrease	41,015	34,543
Prepayments (increase) decrease	(37,162)	28,870
Other financial assets (increase) decrease	203,000	273,461
Total net changes in operating assets	245,546	453,086
Net changes in operating liabilities		
Contract liabilities	6,309	(14,149)
Notes payable increase (decrease)	162	(3,192)
Accounts payable increase (decrease)	26,652	(129,295)
Other payables increase (decrease)	(2,964)	(89,836)
Provisions increase (decrease)	3,985	(61,398)
Net defined benefit liabilities	(2,706)	(2,526)
Total net changes in operating liabilities	31,438	(300,396)

(Continued)

(Continued)

Item	2024	2023
Total changes in operating assets and liabilities	\$ 276,984	\$ 152,690
Total adjustments	422,233	272,563
Cash generated from (used in) operations	368,887	310,878
Interest received	14,200	24,238
Dividends received	942	890
Interest paid	(9,908)	(6,560)
Income tax refund (paid)	(18,854)	(83,024)
Net cash generated from (used in) operating activities	355,267	246,422
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(43,313)	(3,605)
Proceeds from disposal of financial assets at fair value through other comprehensive income	26,802	-
Increase in prepayments for investments	-	(10,000)
Acquisition of property, plant and equipment	(495,095)	(157,755)
Proceeds from disposal of property, plant and equipment	58	1,398
Increase in refundable deposits	(540)	-
Decrease in refundable deposits	-	1,412
Acquisition of intangible assets	(5,373)	(13,065)
Increase in other financial assets	-	(10,242)
Decrease in other financial assets	23,214	-
Net cash flows from (used in) investing activities	(494,247)	(191,857)
Cash flows from financing activities		
Increase in short-term loans	-	92,500
Decrease in short-term loans	(92,000)	-
Proceeds from long-term debt	232,502	-
Repayments of long-term loans	(16,705)	(16,435)
Repayments of principal of lease liabilities	(27,232)	(29,296)
Cash dividends paid	(49,829)	(195,545)
Exercise of employee share options	10,727	-
Payments to acquire treasury shares	-	(111,508)
Changes in non-controlling interests	(34,503)	(11,816)
Net cash generated from (used in) financing activities	22,960	(272,100)
Effect of exchange rate changes on cash and cash equivalents	(6)	(880)
Net increase (decrease) in cash and cash equivalents	(116,026)	(218,415)
Cash and cash equivalents, beginning balance	846,413	1,064,828
Cash and cash equivalents, ending balance	\$ 730,387	\$ 846,413

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

Independent Auditors' Review Report

E&R ENGINEERING CORPORATION :

Audit Opinion

The Parent Company Only Balance Sheets for E&R ENGINEERING CORPORATION as of December 31, 2024 and 2023, and Parent Company Only Statements of Comprehensive Income for the period from January 1 to December 31, 2024 and 2023, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Parent Company Only Financial Statement Notes (including Summary of Significant Accounting Policies) have been audited by the auditors.

In the opinion of the accountant, the aforementioned Parent Company Only Financial Statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, sufficiently fair to present the financial position of E&R ENGINEERING CORPORATION as of December 31, 2024 and 2023, and the financial performance and cash flows of the entity for the period from January 1 to December 31, 2024 and 2023.

Basis for Opinions

The auditor conducted the audit in accordance with the rules for the audit of financial statements and the auditing standards. The responsibilities of the auditor under those standards will be further explained in the auditor's responsibility section of the Parent Company Only Financial Statement. The personnel of the accounting firm to which this auditor belongs have maintained an independent stance in accordance with the International Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled other responsibilities under this code with E&R ENGINEERING CORPORATION. Our auditor believes that sufficient and appropriate audit evidence has been obtained to serve as the basis for the opinions.

Key Audit Matters

Key audit matters refer to the matters that are of most significance in the audit of the E&R ENGINEERING CORPORATION Parent Company Only Financial Statement for the year 2024, based on the professional judgment of the auditor. These matters have been addressed during the audit of the Parent Company Only Financial Statement as a whole and in forming the audit opinion, and the auditor does not express an opinion on these matters separately. We hereby present the key audit matters of the Parent Company Only Financial Statement of E&R ENGINEERING CORPORATION for the year 2024 as follows:

I. Inventory Valuation

For accounting policies regarding inventories, please refer to Parent Company Only Financial Statement Note 4(7); for accounting estimates and assumptions uncertainty related to inventory valuation, please refer to Parent Company Only Financial Statement Note 5(2)6.; for the valuation of inventories, please refer to Parent Company Only Financial Statement Note 6(5).

Key audit matters explanation:

The inventories for E&R ENGINEERING CORPORATION as of December 31, 2024, net amounted to 781,627 thousand, accounting for 21% of total assets. Due to the rapid changes in technology, there is a risk that the inventory may no longer meet market demand or become obsolete due to the fast changes in product demand and thus result in the inventory value being lower than the carrying amount. Therefore, the valuation of inventory is recognized as key audit matters.

Audit procedures in response:

valuation losses; obtaining the company's inventory aging status report and comparing the actual write-off situation of past allowances, and participating in the year-end inventory count, during which the condition of the inventory is assessed to evaluate the appropriateness of the allowance for inventory valuation losses for obsolete and damaged goods.

II. Revenue Recognition

For accounting policies regarding revenue recognition, please refer to Parent Company Only Financial Statement Note 4(18); for accounting estimates and assumptions uncertainty related to revenue recognition, please refer to Parent Company Only Financial Statement Note 5(1)1. and 5(2)1.; for explanations of revenue recognition, please refer to Parent Company Only Financial Statement Note 6(26).

Key audit matters explanation:

Operating revenue is a key indicator for investors and management to assess the financial or business performance of E&R ENGINEERING CORPORATION. Given the significant impact of the timing and amount of revenue recognition on financial reporting, the testing of revenue recognition is deemed a key audit matter.

Audit procedures in response:

The main audit procedures of the auditor include testing the design and effectiveness of the internal control system for revenue, reviewing orders from major customers; testing samples of sales transactions before and after the year-end period to assess the accuracy of revenue recognition during the period.

The Responsibility of Management and Governance teams for the Parent Company Only Financial Statement.

The responsibility of management is to prepare the Parent Company Only Financial Statement in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers with fair presentation, and to maintain necessary internal controls related to the preparation of the Parent Company Only Financial Statement to ensure that the Parent Company Only Financial Statement is free from material misstatement due to fraud or error.

In preparing the Parent Company Only Financial Statement, management's responsibilities also include assessing the ability of E&R ENGINEERING CORPORATION to continue as a going concern, the disclosure of relevant matters, and the adoption of the going concern accounting basis, unless management intends to liquidate E&R ENGINEERING CORPORATION or cease operations, or there are no other viable alternatives other than liquidation or cessation.

The management of E&R ENGINEERING CORPORATION is responsible for overseeing the financial reporting process, including the audit committee.

The Responsibility of the Auditor in Auditing the Parent Company Only Financial Statement

The purpose of the audit of the Parent Company Only Financial Statement by the auditor is to obtain reasonable assurance about whether there are material misstatements in the Parent Company Only Financial Statement due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but the audit procedures performed in accordance with Auditing Standards do not guarantee that all material misstatements in the Parent Company Only Financial Statement will be detected. Misstatements may arise from fraud or error. If the misstatement of individual amounts or aggregate totals is reasonably expected to influence the economic decisions made by users of the Parent Company Only Financial Statement, it is considered to be material.

The auditor conducts the audit in accordance with Auditing Standards, applying professional judgment and professional skepticism. The auditor also performed the following tasks:

1. Identify and assess the risk of significant misstatement in the Parent Company Only Financial Statement due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for opinions. The risk of significant misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, misstatements, or circumvention of internal controls.

2. To obtain the necessary understanding of internal controls related to the audit, in order to design appropriate audit procedures under the circumstances at that time, but the purpose is not to express an opinion on the effectiveness of the internal controls of E&R ENGINEERING CORPORATION.
3. Assess the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, a conclusion is drawn regarding the appropriateness of management's use of the going concern accounting basis and whether there are significant uncertainties related to events or conditions that may cast substantial doubt on the ability of E&R ENGINEERING CORPORATION to continue as a going concern. If the auditor believes that there is significant uncertainty regarding such events or conditions, they must alert the users of the Parent Company Only Financial Statement in the audit report to the relevant disclosures of the Parent Company Only Financial Statement, or correct the audit opinion if such disclosures are deemed inappropriate. The conclusion of this auditor is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause E&R ENGINEERING CORPORATION to no longer have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the Parent Company Only Financial Statement (including related notes), and whether the Parent Company Only Financial Statement appropriately fair expresses related transactions and events.
6. To obtain sufficient and appropriate audit evidence regarding the financial information of E&R ENGINEERING CORPORATION for expressing an opinion on the Parent Company Only Financial Statement. The auditor is responsible for the guidance, supervision, and execution of the audit case, and is responsible for forming the audit opinion of E&R ENGINEERING CORPORATION.

Matters communicated by this auditor with the governance unit include the planned scope and timing of the audit, as well as significant audit findings (including significant deficiencies in internal control identified during the audit process).

This auditor also provides the governing unit with a statement that personnel of the accounting firm to which this auditor belongs have complied with the independence requirements in the International Code of Ethics for Professional Accountants (IESBA Code) regarding independence, and has communicated to the governing unit all relationships and other matters (including relevant safeguards) that may be perceived to affect the accountant's independence.

The auditor decided on the key audit matters for the audit of the Parent Company Only Financial Statement of E&R ENGINEERING CORPORATION for the year 2024 based on communications with the governance unit. The auditor states these matters in the audit report, unless the law prohibits the public disclosure of specific matters, or in very rare circumstances, the auditor decides not to communicate specific matters in the audit report, as it can be reasonably expected that the negative impact of such communication would outweigh the public interest it would serve.

Crowe (TW) CPAs

CPA: Hsieh, Jen-Yao

CPA: Lee, Kuo-Ming

Approval Document Number: Financial-Supervisory-Securities-Auditing-Order No. 10200032833

Approval Document No.: Financial-Supervisory-Securities-Auditing-Order No.1100145994

March 6, 2025

E&R ENGINEERING CORPORATION
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NTD Thousands

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6(1))	\$ 666,845	18	\$ 750,696	19
1110	Financial assets at fair value through profit or loss – current (Note 6(2))	233,751	6	343,961	9
1170	Accounts receivable, net (Note 6(3))	387,420	10	332,475	8
1180	Accounts receivable - related parties, net (Note 6(3), 7)	109,356	3	57,747	1
1200	Other receivables (Note 6(4))	4,949	-	6,651	-
1210	Other receivables - related parties (Note 6(4), 7)	304,606	8	142,511	4
130x	Inventories (Note 6(5))	781,627	21	928,279	24
1410	Prepayments	41,241	1	38,276	1
1476	Other financial assets – current (Note 6(6))	101,359	3	322,573	8
11xx	Total Current Assets	2,631,154	70	2,923,169	74
	Noncurrent Assets				
1517	Financial assets at fair value through other comprehensive income or loss – noncurrent (Note 6(7))	84,619	2	51,270	1
1550	Investments at equity method (Note 6(8))	273,862	7	384,446	10
1600	Property, plant and equipment (Note 6(9))	635,051	18	437,095	12
1755	Right-of-use assets (Note 6(10))	89,344	2	93,815	2
1780	Intangible assets (Note 6(11))	13,125	-	16,173	-
1840	Deferred tax assets (Note 6(32))	33,532	1	40,334	1
1920	Refundable deposit	2,687	-	1,512	-
1960	Current prepayments for investments	-	-	10,000	-
1980	Other financial assets – noncurrent (Note 8)	5,900	-	6,900	-
15xx	Total Noncurrent Assets	1,138,120	30	1,041,545	26
1xxx	Total Assets	\$ 3,769,274	100	\$ 3,964,714	100
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term loans (Note 6(12))	\$ -	-	\$ 97,000	2
2130	Contract liabilities – current (Note 6(26))	22,936	1	23,027	1
2170	Accounts payable	185,149	5	162,353	4
2200	Other payables (Note 6(13))	91,630	2	100,237	3
2230	Current tax liabilities	417	-	22,962	1
2250	Provisions – current (Note 6(14))	32,982	1	28,762	1
2280	Lease liabilities – current (Note 6(10))	6,101	-	5,009	-
2310	Advance receipts (Note 6(19))	398	-	398	-
2320	Long-term liabilities, current portion (Note 6(15))	16,986	-	17,172	-
21xx	Total Current Liabilities	356,599	9	456,920	12

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Code	Liabilities and Equity	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Noncurrent Liabilities				
2500	Financial liabilities at fair value through profit or loss – noncurrent (Note 6(2))	-	-	9,700	-
2530	Bonds payable (Note 6(16))	373,695	11	946,295	24
2540	Long-term loans (Note 6(17))	56,404	1	72,923	2
2570	Deferred tax liabilities (Note 6(32))	3,192	-	276	-
2580	Lease liabilities – noncurrent (Note 6(10))	86,297	2	90,234	2
2630	Long-term deferred revenue (Note 6(19))	4,315	-	4,712	-
2640	Net defined benefit liabilities - noncurrent (Note 6(18))	3,761	-	7,401	-
2645	Guarantee deposits (Note 9(7))	71,056	2	71,056	2
25xx	Total Noncurrent Liabilities	598,720	16	1,202,597	30
2xxx	Total Liabilities	\$ 955,319	25	\$ 1,659,517	42
	Equity				
3100	Share capital (Note 6 (20))				
3110	Ordinary Shares	1,064,275	29	985,954	25
3130	Bond conversion entitlement certificates	18,026	-	-	-
3140	Capital collected in advance	1,468	-	-	-
3200	Capital surplus (Note 6(21))	1,734,570	46	1,237,824	31
3300	Retained earnings (Note 6(23))				
3310	Legal reserve	77,177	2	77,177	2
3320	Special reserve	31,456	1	36,409	1
3350	Unappropriated earnings	56,412	1	166,014	4
3400	Other equity (Note 6(24))	(2,704)	-	(31,456)	(1)
3500	Treasury shares (Note 6(25))	(166,725)	(4)	(166,725)	(4)
3xxx	Total Equity	2,813,955	75	2,305,197	58
	Total Liabilities and Equity	\$ 3,769,274	100	\$ 3,964,714	100

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

Code	Item	2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(26))	\$ 1,329,088	100	\$ 1,154,330	100
5000	Operating costs (Note 6(5))	(757,151)	(57)	(568,874)	(49)
5900	Gross profit (loss)	571,937	43	585,456	51
5910	Unrealized loss from sales(gain)	(17,769)	(1)	-	-
5920	Realized profit from sales(loss)	1,320	-	2,356	-
	Operating expenses				
6100	Sales and marketing	(182,066)	(14)	(181,562)	(16)
6200	General and administrative	(139,699)	(11)	(112,290)	(10)
6300	Research and development expense	(255,690)	(18)	(206,381)	(17)
6450	Expected credit losses (reversal) (Note 6(3))	4,768	-	5,681	-
6000	Total operating expenses	(572,687)	(43)	(494,552)	(43)
6900	Income (loss) from operations	(17,199)	(1)	93,260	8
	Non-operating income and expenses				
7100	Interest income (Note 6(28))	16,367	1	22,364	2
7010	Other income (Note 6(29))	7,781	1	3,945	-
7020	Other gains and losses (Note 6(30))	66,146	5	11,291	1
7050	Finance costs(Note 6(31))	(14,085)	(1)	(19,436)	(2)
7070	Share of profits or losses of subsidiaries, associates, and joint ventures accounted for using the equity method	(105,058)	(8)	(59,748)	(5)
7000	Total non-operating income and expenses	(28,849)	(2)	(41,584)	(4)
7900	Income (loss) before income tax	(46,048)	(3)	51,676	4
7950	Income tax(expense) benefit (Note 6(32))	(5,077)	-	(20,765)	(2)
8200	Net income(loss)	(51,125)	(3)	30,911	2
	Other comprehensive income (Note 6(33))				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	1,600	-	(1,446)	-
8316	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	6,838	1	11,484	1
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method.	150	-	(24)	-
8349	Income tax relating to items that will not be reclassified to profit or loss(expense) benefit	(320)	-	289	-
8360	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method.	20,155	1	(6,745)	(1)
8399	Income tax benefit (expense) related to item that may be reclassified subsequently to profit or loss	(467)	-	214	-
8300	Total other comprehensive income (loss), net of income tax	27,956	2	3,772	-
8500	Total comprehensive income (loss)	\$ (23,169)	(1)	\$ 34,683	2
	Earnings (losses) per share				
9750	Basic earnings per share (Note 6(34))	\$ (0.51)		\$ 0.32	
9850	Diluted earnings per share (Note 6(34))	\$ (0.51)		\$ 0.32	

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

	Share Capital			Retained Earnings				Other Equity Interest		Treasury Stock	Total Equity
	Ordinary Shares	Bond Conversion Entitlement Certificates	Capital collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
Balance at January 1, 2023	\$ 1,007,703	\$ 3,026	\$ 125	\$ 1,271,597	\$ 38,028	\$ 11,185	\$ 459,625	\$ (8,934)	\$ (27,475)	\$ (188,316)	\$ 2,566,564
Appropriation of earnings:											
Legal reserve appropriated	-	-	-	-	39,149	-	(39,149)	-	-	-	-
Special reserve appropriated	-	-	-	-	-	25,224	(25,224)	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	-	(195,545)	-	-	-	(195,545)
Net income (loss) for the year 2023	-	-	-	-	-	-	30,911	-	-	-	30,911
2023 Other comprehensive income	-	-	-	-	-	-	(1,181)	(6,531)	11,484	-	3,772
2023 Total comprehensive income (loss)	-	-	-	-	-	-	29,730	(6,531)	11,484	-	34,683
Conversion of certificates of bonds-to-share	3,026	(3,026)	-	-	-	-	-	-	-	-	-
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	(111,508)	(111,508)
Treasury shares canceled	(24,900)	-	-	(44,776)	-	-	(63,423)	-	-	133,099	-
The difference between equity price and book value of subsidiaries acquired or disposed of	-	-	-	5,434	-	-	-	-	-	-	5,434
Changes in percentage of ownership interest in subsidiaries	-	-	-	(480)	-	-	-	-	-	-	(480)
Share-based payments transaction	125	-	(125)	6,049	-	-	-	-	-	-	6,049
Balance at December 31, 2023	985,954	-	-	1,237,824	77,177	36,409	166,014	(15,465)	(15,991)	(166,725)	2,305,197
Appropriation of earnings:											
Cash dividends of common stock	-	-	-	-	-	-	(49,829)	-	-	-	(49,829)
Reversal of special reserve	-	-	-	-	-	(4,953)	4,953	-	-	-	-
Net profit (loss) for the year 2024	-	-	-	-	-	-	(51,125)	-	-	-	(51,125)
2024 Other comprehensive income	-	-	-	-	-	-	1,430	19,688	6,838	-	27,956
2024 Total comprehensive income (loss)	-	-	-	-	-	-	(49,695)	19,688	6,838	-	(23,169)
Conversion of convertible bonds	-	94,227	-	487,378	-	-	-	-	-	-	581,605
conversion of certificates of bonds-to-share	76,201	(76,201)	-	-	-	-	-	-	-	-	-
The difference between equity price and book value of subsidiaries acquired or disposed of	-	-	-	-	-	-	(12,805)	-	-	-	(12,805)
Share-based payments transaction	2,120	-	1,468	9,368	-	-	-	-	-	-	12,956
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(2,226)	-	2,226	-	-
Balance at December 31, 2024	\$ 1,064,275	\$ 18,026	\$ 1,468	\$ 1,734,570	\$ 77,177	\$ 31,456	\$ 56,412	\$ 4,223	\$ (6,927)	\$ (166,725)	\$ 2,813,955

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION
Parent Company Only Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

Item	2024	2023
Cash flows from operating activities		
Income (loss) before income tax	\$ (46,048)	\$ 51,676
Adjustments		
Reconcile profit item		
Depreciation	101,511	84,329
Amortization expense	8,447	9,439
Expected credit loss(benefit)	(4,768)	(5,681)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(23,646)	(16,513)
Interest expense	14,085	19,436
Interest income	(16,367)	(22,364)
Dividend income	(942)	(890)
Share-based benefit compensation cost	2,229	6,049
Share of losses (gains) of subsidiaries, associates, and joint ventures accounted for using the equity method	105,058	59,748
Loss (gain) on disposal of retirement of property, plant and equipment	782	(868)
Property, plant and equipment transferred to expenses	-	476
Loss (gain) on disposal of investments accounted for using equity method	-	(489)
Impairment loss on non-financial assets	4,524	-
Unrealized profit (loss) from sales	17,769	-
Realized loss (gain) from sales	(1,320)	(2,356)
Gain on lease modification	(132)	(104)
Others	(398)	(398)
Total adjustments to reconcile profit (loss)	206,832	129,814
Changes in operating assets and liabilities		
Net changes in operating assets		
Financial assets at fair value through profit or loss (increase) decrease	122,867	(222,605)
Notes receivable (increase) decrease	-	9,550
Accounts receivable (increase) decrease	(101,786)	335,769
Other receivables (increase) decrease	(1,472)	173
Inventories (increase) decrease	93,354	(4,992)
Prepayments (increase) decrease	(2,965)	30,863
Other financial assets (increase) decrease	200,000	269,854
Total net changes in operating assets	309,998	418,612
Net changes in operating liabilities		
Contract liabilities increase (decrease)	(91)	(13,786)
Accounts payable increase (decrease)	22,796	(126,965)
Other payable increase (decrease)	(7,202)	(84,889)

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Item	2024	2023
Provisions increase (decrease)	\$ 4,220	\$ (60,933)
Net defined benefit liabilities increase (decrease)	(2,040)	(2,525)
Total net changes in operating liabilities	17,683	(289,098)
Total changes in operating assets and liabilities	327,681	129,514
Total adjustments	534,513	259,328
Cash generated from (used in) operations	488,465	311,004
Interest received	14,954	22,694
Dividends received	942	890
Interest paid	(3,924)	(4,502)
Income tax refund (paid)	(18,691)	(83,289)
Net cash generated from (used in) operating activities	481,746	246,797
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(43,313)	(3,605)
Proceeds from disposal of financial assets at fair value through other comprehensive income	26,802	-
Acquisition of investments accounted for using equity method	(3,291)	(5,200)
Increase in prepayments for investments	-	(10,000)
Return of capital from the investee company under the equity method	-	6,181
Acquisition of property, plant and equipment	(241,443)	(24,294)
Proceeds from disposal of property, plant and equipment	38	625
Increase in refundable deposits	(1,175)	(195)
Increase in other receivables - related parties	(157,508)	(101,676)
Acquisition of intangible assets	(5,153)	(13,065)
Increase in other financial assets	-	(10,242)
Decrease in other financial assets	22,214	-
Net cash generated from (used in) investing activities	(402,829)	(161,471)
Cash flows from financing activities		
Increase in short-term loans	-	97,000
Decrease in short-term loans	(97,000)	-
Repayments of long-term loans	(16,705)	(16,435)
Repayments of principal of lease liabilities	(9,961)	(6,768)
Cash dividends paid	(49,829)	(195,545)
Exercise of employee share options	10,727	-
Payments to acquire treasury shares	-	(111,508)
Net cash generated from (used in) financing activities	(162,768)	(233,256)
Net increase (decrease) in cash and cash equivalents	(83,851)	(147,930)
Cash and cash equivalents, beginning of the year	750,696	898,626
Cash and cash equivalents, end of December 31	\$ 666,845	\$ 750,696

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

【Attachment VIII】**E&R Engineering Corp.****Comparison Table of the Articles of Incorporation Before and After Amendments**

Article No.	Amended Provision	Current Provision	Remarks
Article 24	The meeting of the board of directors shall be recorded in minutes, signed <u>or</u> stamped by the chairman, and distributed to all directors within 20 days after the meeting. The minutes of the meeting shall be kept in the Company together with the signature book of the attending directors and the power of attorney for attending the meeting.	The meeting of the board of directors shall be recorded in minutes, signed and stamped by the chairman, and distributed to all directors within 20 days after the meeting. The minutes of the meeting shall be kept in the Company together with the signature book of the attending directors and the power of attorney for attending the meeting.	The amendment allows the chairperson to either sign or stamp the meeting minutes, rather than requiring both.
Article 30	The Company shall allocate 5% to 10% of the annual profits as employee remuneration (of which 40% to 55% shall be allocated to basic-level employees) and no more than 3% as director remuneration. If there is any accumulated loss, it shall be covered before such allocations. Employee remuneration may be distributed in stock or cash, and may include employees of subsidiaries and affiliates meeting certain conditions, as resolved by the Board. Annual profits refer to the	The Company shall allocate 5% to 10% of the annual profits as employee remuneration and no more than 3% as director remuneration. If there is any accumulated loss, it shall be covered before such allocations. Employee remuneration may be distributed in stock or cash, and may include employees of subsidiaries and affiliates meeting certain conditions, as resolved by the Board. Annual profits refer to the pre-tax earnings before deducting employee and director	In accordance with the Financial Supervisory Commission letter No. 1130143888 dated July 15, 2024, the Company shall specify in the Articles that a certain percentage of annual profits shall be allocated for salary adjustments or remuneration to

Article No.	Amended Provision	Current Provision	Remarks
	pre-tax earnings before deducting employee and director remuneration. The distribution plan shall be resolved by the Board with at least two-thirds of directors present and approved by a majority of those present, and reported to the shareholders' meeting.	remuneration. The distribution plan shall be resolved by the Board with at least two-thirds of directors present and approved by a majority of those present, and reported to the shareholders' meeting.	basic-level employees. Accumulated losses, if any, must first be covered.
Article 35	These Articles of Incorporation were established on October 24, 1994. The first amendment was made on June 5, 1995, ... the twenty-seventh amendment on June 18, 2020, <u>the twenty-eighth amendment on June 16, 2022,</u> <u>and the twenty-ninth amendment on June 12, 2025.</u>	These Articles of Incorporation were established on October 24, 1994. The first amendment was made on June 5, 1995, ... and the twenty-eighth amendment on June 16, 2022.	Add amendment date

Four. Appendix

【Appendix I】

E&R Engineering Corporation Articles of Association (Before Amendment)

Chapter I. General Provisions

Article 1. The Company is organized in accordance with the provisions of the Company limited by shares of the Company Law, and is named "鈦昇科技股份有限公司". (English name is Engineering Corporation.)

Article 2 The business items of the Company are as follows:

1. CB01010 Machinery and equipment manufacturing.
2. CB01030 Pollution prevention and control equipment manufacturing.
3. CC01060 Manufacturing of wired communication machinery and equipment.
4. CC01070 Manufacturing of wireless communication machinery and equipment.
5. CQ01010 Mold manufacturing.
6. C805010 Plastic leather, cloth, plate, pipe manufacturing.
7. F401010 International trade industry.
8. ZZ99999 In addition to the licensed business, it can operate the business that is not prohibited or restricted by law.

Article 2-1. The Company's reinvestment is not subject to the provisions of Article 13 of the Company Law that the reinvestment shall not exceed 40% of the paid-in share capital, and matters concerning reinvestment shall be resolved by the board of directors.

Article 3. The head office of the company is located in Kaohsiung City, and branches may be established at home and abroad with the resolution of the board of directors if necessary.

Article 4. The Company's announcement method shall be handled in accordance with the provisions of Article 28 of the Company Law.

Chapter II. Shares

Article 5. The total capital of the Company is NT\$10.5 billion, with a total of 150 million shares at NT\$10.00 per share. The board of directors is authorized to issue them in installments. Among them, 5 million shares are reserved for warrants, preferred shares with warrants or corporate bonds with warrants to exercise stock options.

Article 5-1. If the Company intends to issue employee warrants at a subscription price lower than the market price (net value per share), it shall, in accordance with the provisions of Article 56-1 and Article 76-1 of the Issuer's Handling Standards for Offering and Issuing Securities, be issued after the resolution of the shareholders meeting.

Article 5-2. The shares issued by the company shall have the same amount per share.

Article 5-3. When the Company repurchase treasury shares and transfers them to employees at a price lower than the average price of the shares actually repurchased, they shall, prior to the transfer, submit to the most recent shareholders' meeting to represent shareholders representing more than half of the total number of issued shares. And two-thirds or more agree to do so.

Article 5-4. The Company's employee stock warrants can be issued to employees who meet certain conditions and are controlled by and subordinate to the Company. The conditions and the method of issuance are authorized by the board of directors.

When the Company issues new shares, the employees who take up the shares may include employees who meet certain conditions and are controlled and subordinate to the company. The conditions and the method of issuance are authorized by the board of directors.

The object of the Company's issuance of new shares with restricted employees' rights may include employees who meet certain conditions and are controlled by and subordinate to the company. The conditions and issuance methods are authorized by the board of directors.

When the Company buys treasury shares, the transfer objects may include employees who meet certain conditions and are controlled by and subordinate to the company. The conditions and methods of issuance are authorized by the board of directors for resolution.

Article 6. The Company's shares are generally in registered form. After the public issuance of shares, it is not necessary to print the shares and register with the securities centralized custody institution.

Article 7. The change and transfer of the shareholder register shall be handled in accordance with the provisions of Article 165 of the Company Act.

Article 8. Deleted.

Article 9. Deleted.

Article 10. Deleted.

Article 11. Unless provided by laws or securities regulations, the Company's stock affairs shall be handled in accordance with the relevant regulations set by the Competent authority.

Chapter III. Shareholders' Meeting

Article 12. There are two types of general meeting and extraordinary meeting. The regular meeting is held once a year, and is convened by the board of directors according to law within six months after the end of each fiscal year. The interim meeting shall be convened according to law, when necessary

Article 12-1. When the Company's shareholders' meeting is held, it may be held by video conference or other means announced by the central competent authority.

Article 13. If a shareholder is unable to attend the shareholders' meeting for any reason, he or she shall issue a power of attorney issued by the Company specifying the scope of authorization and authorize a proxy to attend. In addition to the provisions of Article 177 of the Company Law, the procedures for shareholders to attend by proxy shall be handled in accordance with the "Rules on the Use of Power of Attorney for Public Offering Companies to Attend Shareholders' Meetings" promulgated by the competent authority.

Article 14. The shareholders' meeting is convened by the board of directors, with the chairman of the board as the chairman. In the absence of the chairman of the board, the chairman shall designate a director to act as an agent. If it is convened by another convener other than the board of directors, the chairman shall be the convener, and if there are more than two conveners, one of them shall be elected from each other.

Article 15. Each shareholder of the company shall have one vote per share, except for the circumstances in which shares do not have voting rights as stipulated in Article 179 of the Company Law.

Article 16. Except as provided by the company law, the resolution of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares, and shall be carried out with the consent of more than half of the voting rights of the present shareholders.

Article 17. Minutes of the resolutions of the shareholders' meeting shall be prepared and signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The minutes of the meeting shall record the year, month, day, place, name of the chairman, method of

resolution, essentials of the proceedings and results of the meeting, and shall be kept permanently during the company's existence. The production and distribution of the proceedings mentioned in the preceding paragraph may be done electronically. For shareholders holding less than 1,000 registered shares, it may be done by public announcement.

Article 17-1. After the Company's stock is publicly issued, it may not cancel the public offering without a resolution of the shareholders' meeting. The above-mentioned provisions shall not be changed during the period of the company's establishment or listing.

Chapter IV. Director

Article 18. The Company has five to twelve directors, and the number of directors is authorized by the board meeting. Candidate nomination system is adopted. Shareholders select candidates from the list of candidates. They all adopt the cumulative voting system. The term of office is three years, and consecutive elections can be re-elected. After the company's public offering of shares, the total shareholding ratio of all its directors shall be in accordance with the regulations of the securities management authority. The Company may purchase liability insurance for directors of the company who are legally liable for compensation in accordance with the scope of business they perform during their term of office. In line with the provisions of Article 14-2 of the Securities and Exchange Law, among the above-mentioned number of directors of the company, the number of independent directors shall not be less than three, and shall not be less than one-fifth of the number of directors. Restrictions on part-time jobs, identification of independence, nomination and other matters to be followed shall be handled in accordance with the relevant provisions of the Securities and Exchange Act.

Article 18-1. The Company shall set up an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, and the audit committee shall be composed of all independent directors. The Audit Committee or the members of the Audit Committee are responsible for implementing the Company Law, the Securities Exchange Law, and other relevant laws and regulations, and specifying the duties and powers of the supervisors.

Article 19. When the term of office of a director expires and it is too late to be re-elected, the executive duties shall be extended until the re-elected director takes office.

However, the competent authority may order the company to re-elect according to the power of office.

Article 20. The board of directors is organized by directors, and more than two-thirds of the directors present and more than half of the director present agree to elect a chairman from each other, and can elect a vice chairman from each other in the same way. Carry out all the affairs of the company in accordance with the laws, articles of association, resolutions of the shareholders meeting and the board of directors. The remuneration of all directors, regardless of operating profit or loss, may be determined by the board of directors in accordance with the usual industry standards.

Article 21. The Board of Directors convenes once a quarter. When the chairman thinks it is necessary, or when two or more directors request, an interim meeting may be held. When the vacancy of directors reaches one-third, the board of directors shall convene a by-election at the shareholders' meeting within the time limit stipulated in Article 201 of the Company Law, and the term of office shall be limited to the time limit for filling up the original office.

Article 22. The Company's business policy and other matters shall be implemented by resolutions of the board of directors. Except for the first meeting of the board of directors in accordance with Article 203 of the Company Law, the board of directors shall be convened by the chairman and serve as the chairman. When the chairman is unable to perform his duties, he shall be represented by the vice chairman or other directors in accordance with Article 208 of the Company Law.

In the event of an emergency, the company may convene the board of directors at any time, and the notification of its regular and extraordinary meetings may be made by email or fax.

Article 23. Board meetings must be attended by more than half of the directors, and shall be conducted with the consent of more than half of the director present. If a director is unable to attend the meeting for any reason, he shall issue a power of attorney stating the scope of authorization for the reason for the convening, and entrust other directors to attend on his behalf, but only one person shall be entrusted by one person. When the meeting of the board of directors is held, if the meeting is held through a video screen, the directors who participate in the meeting through the video screen are deemed to be present in person.

Article 24. The meeting of the board of directors shall be recorded in minutes, signed and stamped by the chairman, and distributed to all directors within 20 days after the meeting. The minutes of the meeting shall be kept in the company together with the signature book of the attending directors and the power of attorney for attending the meeting.

Article 25. Deleted.

Chapter V. Managerial Staff

Article 26. The Company may have several managers, whose appointment, dismissal and remuneration shall be handled in accordance with the relevant provisions of the Company Law.

Article 27. The Company may hire consultants or important staff upon resolution of the board of directors.

Article 28. Other employees of the Company are appointed and dismissed by the general manager

Chapter VI. Final Accounts

Article 29. At the end of each fiscal year, the board of directors shall prepare the following forms and submit them to the general meeting of shareholders for approval:

- (1) Business report
- (2) Financial statements
- (3) Proposals on profit distribution or loss compensation, etc.

Article 30. The Company shall allocate 5% to 10% of the annual profits as employee remuneration and no more than 3% as director remuneration. If there is any accumulated loss, it shall be covered before such allocations. Employee remuneration may be distributed in stock or cash, and may include employees of subsidiaries and affiliates meeting certain conditions, as resolved by the Board. Annual profits refer to the pre-tax earnings before deducting employee and director remuneration. The distribution plan shall be resolved by the Board with at least two-thirds of directors present and approved by a majority of those present, and reported to the shareholders' meeting.

Article 30-1 If there is any surplus in the Company's annual final accounts, it shall be distributed in the following order:

1. Pay taxes according to law.
2. Make up for accumulated losses.

3. 10% shall be allocated as the statutory surplus reserve, except when the statutory surplus reserve has reached the total capital of the company.
4. Allocate special surplus reserve according to laws and regulations or necessary for operation.

After deducting the balance of the previous items and adding the accumulated undistributed earnings of the previous year, the board of directors will prepare a shareholder dividend distribution plan and submit it to the shareholders' meeting for a resolution on distribution.

If the Company distributes dividends or all or part of the statutory surplus reserve and capital reserve in the form of cash distribution, the board of directors is authorized to attend with two-thirds or more of the directors present and with the consent of more than half of the directors present, and report to the shareholders meeting.

The Company will adapt to its environment and growth stage in the future, based on capital expenditure, business expansion needs, sound financial planning and taking into account the interests of shareholders in order to achieve sustainable development. The Company's dividend policy will be based on the company's future capital expenditure budget and capital needs. No less than 10% of the above-mentioned distributable surplus shall be allocated to distribute dividends to shareholders. However, when the accumulated distributable surplus is lower than 5% of the paid-in share capital, the distribution may not be made. When distributing shareholder dividends, it can be done in the form of stock dividends or cash dividends, and the distribution ratio of cash dividends should not be lower than 10% of the total shareholder dividends. If the company has a major investment or development policy, it may be fully distributed as stock dividends.

Chapter VII. Supplementary Provisions

Article 31. The Company may endorse external guarantees, and its operations shall be handled in accordance with the company's endorsement guarantee operations.

Article 32. The Company's organizational regulations and working rules shall be determined separately by the board of directors.

Article 33. Matters not covered in this Articles of Association shall be handled in accordance with the Company Law and other laws and regulations.

Article 34. The Articles of Incorporation shall come into force after resolution of the shareholders' meeting and approval by the competent authority, and the same shall apply when there is any change.

Article 35. These Articles of Incorporation were established on October 24, 1994. The first amendment was made on June 5, 1995, the second amendment was on September 20, 1995, and the third amendment was on February 13, 1996 , the fourth revision was on December 10, 1996, the fifth revision was on March 20, 1997, the sixth revision was on November 10, 1997, and the seventh revision was on December 1997 Thirteenth, eighth revision on April 11, 1998, ninth revision on June 12, 1998, tenth revision on June 10, 1999, eleventh revision in 2000 June 22, twelfth amendment on November 2, 2001, thirteenth amendment on June 21, 2002, fourteenth amendment on June 24, 2004 , Fifteenth Amendment on June 23, 2006, Sixteenth Amendment on December 15, 2006, Seventeenth Amendment on June 20, 2008, Eighteenth Amendment On December 18, 2009, nineteenth amendment on June 3, 2011, twentieth amendment on June 27, 2012, twenty-first amendment on June 2, 2013 sixteenth. Twenty-second amendment on June 25, 2014. Twenty-third amendment on June 23, 2016. Twenty-fourth amendment on June 21, 2018. Twenty-fifth amendment on December 27, 2018. Twenty-sixth amendment on June 19, 2019. Twenty-seventh amendment on June 18, 2020. Twenty-eighth amendment on June 16, 2022.

【Appendix II】

E&R Engineering Corporation Rules of Procedure for Shareholders' Meeting

Article 1. Except as otherwise provided by laws and regulations or the articles of association, the rules of procedure for the shareholders' meeting of the company shall be in accordance with the provisions of these rules.

Article 2: (Shareholders' meeting convening and meeting notice)

Unless otherwise stipulated by law, the company's shareholders' meeting shall be convened by the board of directors.

Changes to the method of convening the shareholders' meeting of the company shall be resolved by the board of directors, and shall be made no later than the dispatch of the notice of the shareholders' meeting.

The company shall, 30 days before the regular shareholders meeting or 15 days before the extraordinary shareholders meeting, send the notice of the shareholders meeting, the power of attorney, relevant approval proposals, discussion proposals, elections, or the reasons and explanatory materials for the election or dismissal of directors and other proposals as electronic files to the Public Information Observation Station.

And 21 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, the shareholders' meeting manual and meeting supplementary materials will be prepared and sent to the public information observation station as electronic files.

Fifteen days before the shareholders' meeting, the handbook of the shareholders' meeting and supplementary materials for the meeting shall be prepared for shareholders to request and read at any time, and displayed in the company and the professional stock affairs agency appointed by the company.

The meeting manual and supplementary meeting materials mentioned in the preceding paragraph shall be provided to shareholders for reference by the Company on the day of the shareholders' meeting in the following manner:

1. When the physical shareholders' meeting is held, it shall be issued on the spot of the shareholders' meeting.
2. When convening a video-assisted shareholders' meeting, it shall be distributed at the site of the shareholders' meeting and sent to the video conference platform as an

electronic file.

3. When convening a video conference, the electronic file shall be sent to the video conference platform.

The notification and announcement shall specify the reason for the convening, and the notification may be done electronically if the counterparty agrees.

Appointment or dismissal of directors, change of articles of incorporation, company dissolution, merger, division, or subparagraphs of Paragraph 1 of Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, items under Article 56-1 and Article 60-2 of Issuer's Guidelines for handling the offering and Issuance of Securities shall be listed in the reason for the call, and shall not be proposed as an interim motion.

Shareholders who hold more than 1% of the total number of issued shares may submit written proposals to the company for the general meeting of shareholders. But only one proposal, if there is more than one proposal, will not be included in the proposal. In addition, if a proposal proposed by a shareholder falls under any of the circumstances in Item 4 of Article 172-1 of the Company Law, the board of directors may not include it as a proposal. The company shall announce the acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the stockholders' general meeting closes, and the acceptance period shall not be less than ten days.

Proposals proposed by shareholders are limited to 300 words, and those exceeding 300 words will not be included in the proposals. Proposing shareholders should attend the regular shareholders meeting in person or entrust others to participate in the discussion of the proposal. The company shall notify the proposing shareholders of the results of the handling before the notice date for the convening of the shareholders' meeting, and list the proposals that meet the provisions of this article in the meeting notice. For shareholder proposals that are not included in the proposal, the board of directors shall explain the reasons for not including them at the shareholders' meeting.

Article 3. Shareholders may entrust a proxy to attend each shareholders' meeting by issuing a power of attorney issued by the company specifying the scope of authorization.

A shareholder shall issue a power of attorney and entrust only one person, and shall

deliver it to the company five days before the shareholders' meeting. If there are duplicate powers of attorney, the one delivered first shall prevail. However, this does not apply to those who entrust before the declaration is revoked. After the power of attorney is delivered to the company, shareholders who wish to attend the shareholders' meeting in person or exercise their voting rights in writing or electronically shall notify the company in writing of the cancellation of the proxy two days before the shareholders' meeting. The voting rights exercised by the person present shall prevail.

Article 4: (Principles for the location and time of the shareholders meeting)

The place where the shareholders' meeting is held should be the location of the company or a place that is convenient for shareholders to attend and suitable for holding the shareholders' meeting. The starting time of the meeting should not be earlier than 9:00 am or later than 3:00 pm. Opinions of independent directors.

If the company holds a video-conference shareholders meeting, it will not be restricted by the venue of the previous paragraph.

Article 5: (Preparation of signature book and other documents)

The company shall specify in the meeting notice the time and place of registration of the accepting shareholders, solicitors, and authorized agents (hereinafter referred to as shareholders), and other matters that should be paid attention to.

The time for acceptance of shareholder registration in the preceding paragraph shall be at least 30 minutes before the start of the meeting. There should be a clear sign at the registration office, and adequate and competent personnel should be assigned to handle it. The video meeting of the shareholders' meeting shall be registered on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration are deemed to have attended the shareholders' meeting in person.

The company shall set up a signature book for the attendance of shareholders to sign in, or the attendance card shall be submitted by the attending shareholders to sign in.

The company shall deliver the meeting manual, annual report, attendance certificate, statement slips, votes and other meeting materials to shareholders attending the shareholders' meeting. If there are directors to be elected, an election ballot shall be attached.

Shareholders shall attend the shareholders' meeting by presenting their attendance

certificates, attendance cards or other attendance certificates, and the company shall not arbitrarily add other supporting documents to the supporting documents for shareholders' attendance. Participants who are subject to a power of attorney should bring their identity documents for verification.

When the government or legal person is the shareholder, the representative attending the shareholders meeting is not limited to one person.

When a juridical person is entrusted to attend a shareholders' meeting, it may only designate one representative to attend.

If the shareholders meeting is convened by videoconference, shareholders who wish to attend by videoconference shall register with the company two days before the shareholders meeting.

If the shareholders' meeting is held by video conference, the company shall upload the procedure manual, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

Article 5-1: (Convening a video conference of the shareholders' meeting, and items to be included in the convening notice.)

When the company holds a video conference of the shareholders' meeting, the following matters shall be stated in the notice of convening the shareholders' meeting:

1. Methods for shareholders to participate in video conferences and exercise their rights.
2. The handling of obstacles to the video conference platform or participation in video conferences due to natural disasters, incidents or other force majeure events, including at least the following:
 - (1) The time when the pre-occupational obstacle cannot be ruled out and the meeting needs to be postponed or resumed, and the date when the meeting needs to be postponed or resumed.
 - (2) Shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the extension or continuation of the meeting.
 - (3) When a video-assisted shareholders meeting is held, if the video conference cannot be continued, after deducting the number of shares attending the

shareholders meeting by video, the total number of shares attending the shareholders meeting reaches the statutory quota for the shareholders meeting, and the shareholders meeting should continue. Shareholders who participate by video conference, the number of shares attended shall be included in the total number of shares of shareholders present, and all resolutions of the shareholders' meeting shall be regarded as abstentions.

(4) In the event that all the motions have been announced, but no provisional motion has been made, the handling method.

3. To hold a video conference of shareholders, and to specify the appropriate alternative measures provided to shareholders who have difficulty participating in shareholders by video.

Article 6: (Chairman of the Shareholders' Meeting, non-voting attendees)

If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman of the board of directors. If the chairman of the board of directors requests leave or is unable to exercise his powers for some reason, the vice chairman shall act as his proxy. When the chairman of the board appoints a managing director to act on his behalf. If there is no managing director, a director shall be appointed to act as an agent, and if the chairman does not appoint an agent, the managing director or the directors shall recommend one person to act as an agent.

The chairman of the preceding paragraph shall be the executive director or director who has served for more than six months and who understands the company's financial and business conditions. The same applies if the chairman is the representative of the corporate directors.

The chairman of the board of directors should preside over the shareholders' meeting convened by the board of directors in person, and more than half of the directors of the board of directors should be present in person, and at least one representative of the members of various functional committees should attend, and the attendance should be recorded in the minutes of the shareholders' meeting.

If the shareholders meeting is convened by a person with the right to convene other than the board of directors, the chairman shall be the person with the right to convene. If there are two or more persons with the right to convene, one person shall be elected from each other to serve as the chairman.

The company may designate appointed lawyers, accountants or relevant personnel

to attend the shareholders' meeting as nonvoting delegates.

Article 7: (Recording or video recording of the shareholders meeting)

The company shall record the whole process of shareholder registration, meeting process, and vote counting process continuously and uninterruptedly from the time of accepting shareholder registration.

The audio-visual materials mentioned in the preceding paragraph shall be kept for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the conclusion of the lawsuit.

If the shareholders' meeting is held by video conference, the company shall keep records of shareholders' registration, registration, registration, questioning, voting and company vote counting results, etc., and record and video the entire process of the video conference continuously.

The company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.

Article 8: Attendance at the shareholders' meeting shall be calculated on the basis of shares.

The number of shares attended is calculated based on the number of shares registered on the signature book or attendance card and video conferencing platform, plus the number of shares that exercise voting rights in written or electronic means.

When the meeting time has expired, the chairman shall announce the opening of the meeting immediately. However, if shareholders representing more than half of the total issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements shall be limited to two times, and the total delay shall not exceed one hour. If there are still not enough shareholders representing more than one-third of the total issued shares to attend after two delays, the chairman will announce the adjournment. If the shareholders meeting is held by video conference, the company shall also announce the adjournment on the video conference platform of the shareholders meeting.

If the preceding paragraph is postponed twice and the amount is still insufficient and there are shareholders representing more than one-third of the total number of issued shares present, a tentative resolution may be made in accordance with

Article 175, Item 1 of the Company Law, and the tentative resolution shall be notified to all shareholders. Another shareholder meeting will be held within the month. If the shareholders meeting is convened by video conference, shareholders who wish to attend via video conference shall re-register with the company in accordance with Article 5.

Before the end of the current meeting, if the number of shares represented by the attending shareholders reaches more than half of the total number of issued shares, the chairman may resubmit the tentative resolution made to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.

Article 9: (Proposal Discussion)

If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and the meeting shall be carried out according to the scheduled agenda, which shall not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph are permitted.

Before the end of the agenda (including temporary motions) scheduled in the first two items, the chairman shall not declare the meeting closed unless a resolution is passed.

If the chairman violates the rules of procedure and announces the adjournment of the meeting, other members of the board of directors shall promptly assist the shareholders present in accordance with the legal procedures, and elect one person as the chairman with the consent of more than half of the voting rights of the shareholders present, and continue the meeting. The chairman shall give full explanations and opportunities for discussion on proposals and amendments or interim motions proposed by shareholders, and may announce the suspension of discussion and put them up for voting when he considers that the resolution has reached a level that can be voted on.

Article 10: (Speech by Shareholders)

Before the shareholders present to speak, they must first fill in a speech note to specify the gist of the speech, shareholder account number (or attendance certificate number) and account name, and the chairman will determine the order of their speeches.

Shareholders attending the meeting who only submit speech slips but do not make a speech shall be deemed not to have spoken. If the content of the speech is inconsistent with the record in the speech slip, the content of the speech shall prevail.

Each shareholder's speech on the same proposal shall not exceed two times without the consent of the chairman, and each time shall not exceed five minutes. However, if a shareholder's speech violates the regulations or exceeds the scope of the topic, the chairman may stop his speech.

When a shareholder present speaks, other shareholders are not allowed to intervene unless they have obtained the consent of the chairman and the speaking shareholder, and the chairman shall stop any violation.

When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person can speak on the same proposal. After attending shareholders' speeches, the chairman may reply in person or by designating relevant personnel.

If the shareholders meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is closed. The number of questions for each proposal shall not exceed two times. The limit is 200 characters, and the provisions of items 1 to 5 do not apply.

Article 11: (Calculation of Voting Shares and Avoidance System)

Voting at the shareholders' meeting shall be based on shares.

For the resolution of the shareholders' meeting, the number of shares held by non-voting shareholders shall not be included in the total number of issued shares.

Shareholders who have their own interests in the matters of the meeting that may harm the interests of the company may not participate in voting, and may not exercise their voting rights on behalf of other shareholders.

The number of shares for which voting cannot be exercised in the preceding paragraph shall not be included in the voting rights of shareholders present.

Except for trust enterprises or stock affairs agencies approved by the competent securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the agent shall not exceed 3% of the total number of issued shares. If exceeded, the excess voting rights shall not be counted.

Article 12: Shareholders have one voting right per share, except for those who are restricted or have no voting rights listed in Item 2 of Article 179 of the Company Law.

When the company convenes a general meeting of shareholders, it shall use electronic means and may exercise its voting rights in written form. When it exercises its voting rights in written or electronic means, the method of exercising it shall be specified in the notice of convening the general meeting of shareholders. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the interim motions and amendments to the original proposals at the shareholder meeting are considered abstentions, so the company should avoid proposing interim motions and amendments to the original proposals.

For those who exercise their voting rights in writing or electronically in the preceding paragraph, their declaration of intent shall be delivered to the company two days before the shareholders meeting. In case of duplicate declarations of intent, the first one shall prevail. However, this does not apply to those who declare the intention before revocation.

After shareholders have exercised their voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person or by videoconference, they shall revoke the previous declaration of intention to exercise voting rights in the same manner as exercising voting rights two days before the shareholders' meeting. If the cancellation is overdue, the voting rights exercised in written or electronic means shall prevail. If voting rights are exercised in written or electronic means and a proxy is entrusted to attend the shareholders' meeting with a power of attorney, the voting rights entrusted to the proxy shall prevail.

Unless otherwise stipulated in the Company Law and the Articles of Association of the company, the voting on the proposal shall be passed with the consent of more than half of the voting rights of the present shareholders. When voting, the chairman or the person designated by him shall announce the total number of voting rights of the attending shareholders on a case-by-case basis, and the shareholders shall vote on a case-by-case basis, and on the day after the shareholders' meeting, the shareholders' approval, objection and abstention results shall be entered into the Public Information Observatory.

When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. If one of the proposals has

been passed, the other proposals shall be deemed to be rejected and there is no need to vote again.

The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the status of shareholders. The counting of votes or election proposals at the shareholders' meeting shall be done in a public place in the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including the weight of the statistics, and shall be recorded.

The company holds a video conference of the shareholders meeting. Shareholders who participate in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairman announces the meeting. It should be completed before the chairman announces the end of voting, and those who are overdue are deemed to have abstained from voting.

If the shareholders meeting is convened by videoconference, after the chairman announces that the voting is over, the votes shall be counted at one time, and the voting and election results shall be announced.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by videoconference in accordance with the provisions of Article 5, who wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same way as the registration two days before the shareholders' meeting. Those who cancel after the deadline can only attend the shareholders' meeting via video conference.

Those who exercise their voting rights in written or electronic means without revoking their declaration of intention and participate in the shareholders' meeting through video conference shall not exercise their voting rights on the original proposals, propose amendments to the original proposals or exercise their voting rights on the amendments to the original proposals, except for temporary motions.

Article 13: (Election Matters)

When the shareholders' meeting elects directors, it shall follow the relevant selection and appointment rules stipulated by the company, and shall announce the election results on the spot, including the list of elected directors and their weighted numbers. The ballots for the elections mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and shall be kept in a safe place for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article

189 of the Company Law, it shall be preserved until the conclusion of the lawsuit.

Article 14: Minutes of the resolutions of the shareholders' meeting shall be prepared and signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. Producing and distributing minutes of meeting may be done by announcement or electronic means. For the distribution of the proceedings mentioned in the preceding paragraph, the Company may enter the announcement of the Public Information Observatory.

The minutes of the meeting shall be recorded according to the year, month, day, place, name of the chairman, resolution method, essentials of the proceedings and the results of the meeting, and shall be kept permanently during the existence of the company.

If the shareholders' meeting is convened by videoconference, in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the minutes shall also record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the recorder, and due to natural disasters, accidents or other force majeure events that cause obstacles to the video conferencing platform or participation in the form of video and how to deal with them.

The Company shall hold a video-conference shareholders meeting, in addition to handling it in accordance with the provisions of the preceding paragraph, and shall state in the minutes of meeting that there are alternative measures provided by shareholders who have difficulties in participating in the video-conferencing method.

Article 15: (Announcement to the Public)

The number of shares acquired by the solicitor, the number of shares represented by an entrusted agent, and the number of shares attended by shareholders in written or electronic form, the company shall clearly disclose in the shareholder meeting on the date of the shareholders' meeting in a statistical table prepared in accordance with the prescribed format. If the shareholders meeting is held by video conference, the company shall upload the aforementioned information to the shareholders meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

When the company convenes a video meeting of the shareholders meeting and announces the start, it shall disclose the total number of shares of the shareholders

present on the video conference platform. If there is another calculation of the total number of shares and voting rights of the shareholders present during the meeting, the same shall be done.

For the resolutions of the shareholders' meeting, if there is any major information required by laws and regulations or by the Taiwan Stock Exchange Co., Ltd. (Republic of China Securities OTC Trading Center), the company shall transmit the content to the public information observation station within the specified time.

Article 16: (Maintenance of order in the venue)

Personnel handling the shareholders' meeting shall wear identification badges or armbands.

The chairman may direct the pickets or security personnel to assist in maintaining order at the venue. When the pickets or security personnel are present to assist in maintaining order, they should wear armbands or identification cards with the word "Picket".

The venue is equipped with sound amplification equipment, and the chairman may stop shareholders from speaking when they do not use the equipment provided by the company.

Shareholders who violate the rules of procedure and refuse to obey the chairman's correction, obstruct the progress of the meeting and refuse to obey, the chairman may order the pickets or security personnel to ask them to leave the meeting place.

Article 17: (Break, continuation of assembly)

When the meeting is in progress, the chairman may announce a break at a discretionary time. In the event of an irresistible event, the chairman may rule to temporarily suspend the meeting and announce the time for the continuation of the meeting depending on the situation.

Before the conclusion of the agenda scheduled by the shareholders' meeting (including extraordinary motions), if the venue for the meeting cannot be used at that time, the shareholders' meeting may decide to find another venue to continue the meeting.

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

Article 18: (Information disclosure of video conferencing)

If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results of various proposals and election results on

the shareholders' meeting video conference platform in accordance with regulations after the voting ends, and shall continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting. minute.

Article 19: (The location of the chairman of the video conference and the recorder)

When the company holds a video-conference shareholders meeting, the chairman and the recorder should be at the same place in the country, and the chairman should announce the address of the place when the meeting is held.

Article 20: (Handling of Suspension of Judgment)

If the shareholders' meeting is held by video conference, the company may provide shareholders with a simple connection test before the meeting, and provide relevant services in real time before the meeting and during the meeting to assist in dealing with technical problems in communication.

If the shareholders' meeting is convened by video conference, the chairman shall make a separate announcement when announcing the opening of the meeting, except for the circumstances stipulated in Item 24 of Article 44 of the Standards for the Handling of Share Affairs of Public Offering Companies that there is no need to postpone or continue the meeting, before the chairman announces the adjournment of the meeting, due to natural disasters, accidents or other force majeure, the video conferencing platform shall or if there is an obstacle in the participation in the form of video, and it lasts for more than 60 minutes, the date of the meeting shall be postponed or continued within five days, and the provisions of Article 182 of the Company Law shall not apply.

In the event of the aforementioned meeting that should be postponed or continued, shareholders who have not registered to participate in the original shareholders' meeting through video conference shall not participate in the postponed or continued meeting.

Shareholders who have registered to participate in the original shareholders' meeting via videoconference and have completed the report-in process shall be postponed or resumed according to the provisions of paragraph 2, and those shareholders who have not participated in the postponed or resumed meeting, the number of shares attended at the original shareholders' meeting, the voting rights exercised and voting rights shall be included in the total number of shares, voting rights and election rights of shareholders attending the postponed or continued meeting.

When adjourning or resuming a general meeting of shareholders in accordance with the provisions of Paragraph 2, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or the list of elected directors and supervisors.

When the company convenes a video-assisted shareholders' meeting, and the video conference cannot be continued under Paragraph 2, if the total number of shares present after deducting the number of shares attending the shareholders' meeting via video conference still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue. There is no need to postpone or continue the meeting in accordance with the provisions of the second paragraph.

In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via videoconference shall be included in the total number of shares of the shareholders present, but all the resolutions of the shareholders meeting shall be regarded as abstaining from voting.

When the company postpones or continues the meeting in accordance with the provisions of the second paragraph, it shall follow the provisions listed in Article 44-27 of the Standards for the Handling of Share Affairs of Companies Offering Shares to the Public. According to the date of the original shareholder meeting and the provisions of each article, the relevant pre-operations will be handled.

The second paragraph of Article 12 and Item 3 of Article 13 of the Rules for the Use of Power of Attorney for Attending Shareholders' Meetings by Public Offering Companies, Article 44-5, Item 2, and Article 44-15 of the Guidelines for Handling Stock Affairs of Public Offering Companies, the period specified in Paragraph 1 of Article 44-17, the company shall postpone or continue the date of the shareholder meeting in accordance with the provisions of Paragraph 2.

Article 21: (Handling of digital gap)

When the company holds a video-conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending via video-conferencing.

Article 22: These rules will come into force after being approved by the shareholders' meeting, and the same will apply when they are amended.

【Appendix III】

Shareholding of Directors

As of April 14, 2025, the closing date of the general meeting of shareholders, the company's paid-in capital is NT\$1,084,956,410 including 108,495,641 shares.

一、In accordance with Article 26 of the Securities and Exchange Act, all directors shall hold at least 8,679,651 shares.

二、Shareholding list of directors:

Unit: share; April 14, 2025

Title	Name	Date of Election	Number of Shares	Shareholding Ratio
Chairman	Michel Wang	2023.06.21	4,200,334	3.87%
Vice Chairman	KS Chen	2023.06.21	949,428	0.88%
Director	Eric Chang	2023.06.21	1,059,661	0.98%
Director	Kuang shu Hsueh	2023.06.21	447,333	0.41%
Director	Harry Huang	2023.06.21	1,216,680	1.12%
Corporate Director	Ray Hou (Representative of Donghua Investment Co., Ltd.)	2023.06.21	769,650	0.71%
Independent Director	JF Lu	2023.06.21	0	0.00%
Independent Director	Alex Kao	2023.06.21	0	0.00%
Independent Director	Eddy Peng	2023.06.21	0	0.00%
Total			8,643,086	7.97%