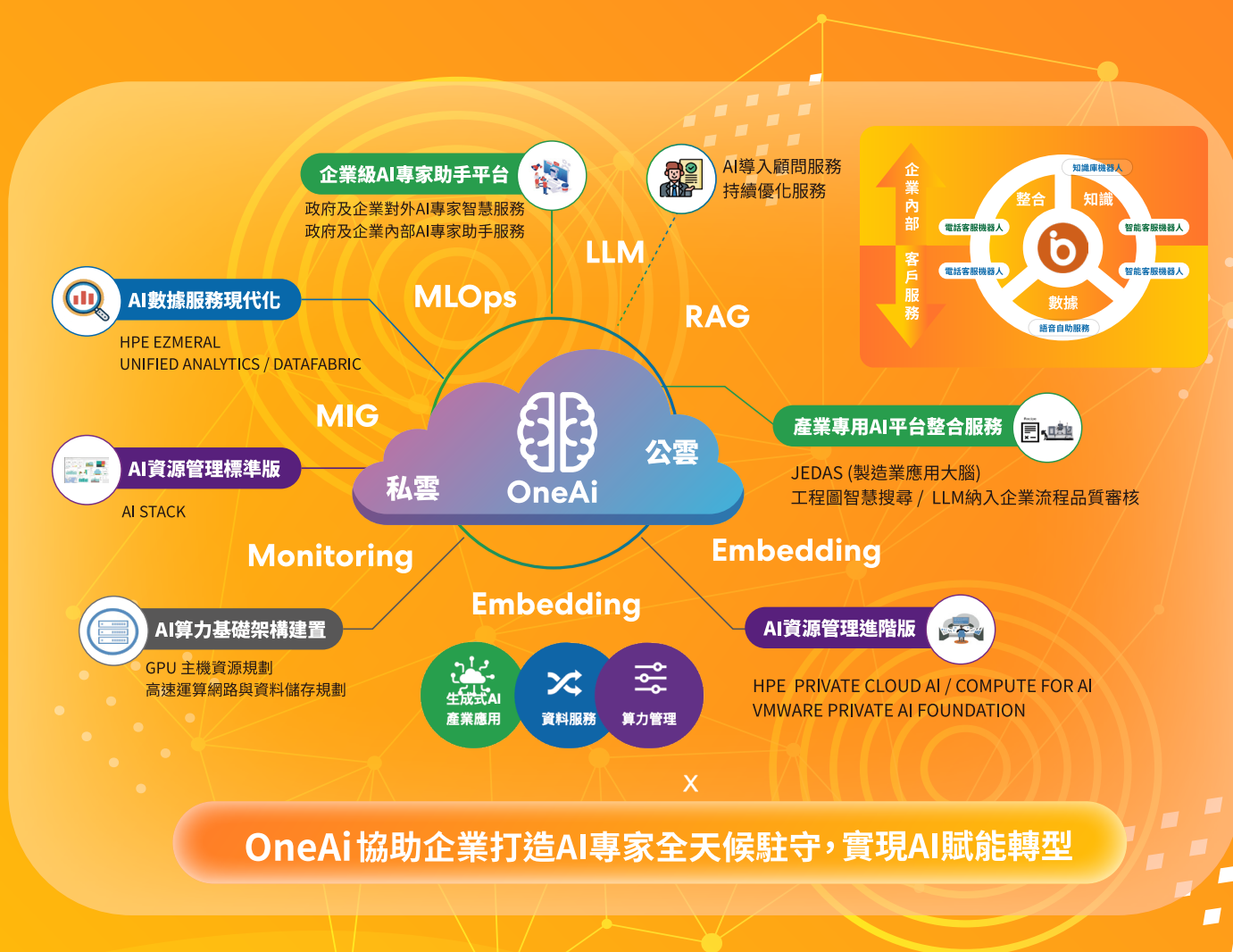


 An AI-Empowered Company 

tsti (TWSE: 8099)
Tatung System Technologies Inc.

Handbook for the 2025 Annual Meeting of Shareholders

Shareholders Meeting will be held by means of : Physical Shareholders Meeting
MEETING TIME: June 16, 2025 (Monday) at 9:30 AM
PLACE: No.22, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)



Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>
Tatung System Technologies Inc. Annual Report is available at: <https://www.etatung.com>

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Tatung System Technologies Inc. (TSTI)
Procedure for the 2025 Annual Meeting of Shareholders

- I. Report the Number of Shares In Attendance
- II. Call the Meeting to Order
- III. Chairperson Remarks
- IV. Report Items
- V. Ratification Items
- VI. Discussion Items
- VII. Election Items
- VIII. Other Motions
- IX. Extemporaneous Motions
- X. Adjournment

Tatung System Technologies Inc. (TSTI)
Agenda of 2025 Annual Meeting of Shareholders

Time: Monday, June 16, 2025 at 9:30 a.m.

Venue: No. 22, Sec. 3, Zhongshan N. Rd., Taipei City

Chairperson: Chairman Chun-Lung Wu

- I. Report the Number of Shares In Attendance
- II. Call the Meeting to Order
- III. Chairperson Remarks
- IV. Report Items
 - (I) The 2024 Business Report and Financial Statements.
 - (II) The Independent Director's Review Report on the 2024 Financial Statements.
 - (III) The Report on the 2024 Compensation Distribution of Employees and Directors.
- V. Ratification Items
 - (I) The 2024 Business Report and Financial Statements.
 - (II) The Proposal for Distribution of 2024 Earnings.
- VI. Discussion Items
 - (I) Proposal for Capitalization of 2024 Earnings by Issuing New Shares.
 - (II) Amendment of the "Articles of Incorporation."
- VII. Election Items
 - (I) Proposal for the By-election of Two Independent Directors.
- VIII. Other Motions
 - (I) Proposal to release the prohibition on directors from participating in competitive business.
- IX. Extemporary Motions
- X. Adjournment

[Report Items]

Proposal 1

Subject: The 2024 Business Report and Financial Statements.

Description: Please refer to Attachments 1 and 2 on pages 8-32 of this Handbook for the 2024 business report and financial statements.

Proposal 2

Subject: The Independent Director's Review Report on the 2024 Financial Statements.

Description: For the Independent Director's 2024 review report, please refer to Attachment 3 on page 33 of this Handbook.

Proposal 3

Subject: The Report on the 2024 Compensation Distribution of Employees and Directors.

Description: I. In accordance with the Company's Articles of Incorporation, a compensation distribution of NTD 20,000,000 for employees and a compensation distribution of NTD 5,569,875 for directors were provided for 2024. The amounts were recorded as company expenses and deducted from net profit before tax in 2024.

II. Remuneration to employees is distributed in cash and only payable to permanent employees.

[Ratification Items]

Proposal 1

Proposed by the Board

Subject: The 2024 Business Report and Financial Statements.

Description: I. The Company's 2024 business report and financial statements (including parent company only and consolidated financial statements) have been reviewed and approved by the Board of Directors and reviewed by the Independent Director.

II. Please refer to Attachment 1 on pages 8–13 of this Handbook for the 2024 business report and to Attachment 2 on pages 14–32 of this Handbook for the financial statements (including parent company only and consolidated financial statements) for 2024.

III. Your ratification will be appreciated.

Resolution:

Proposal 2

Proposed by the Board

Subject: The Proposal for Distribution of 2024 Earnings.

Description: I. For the Company's 2024 earnings distribution proposal, in addition to the appropriation of statutory earnings reserve in accordance with laws and the Articles of Incorporation, it is proposed to distribute cash dividends of NT\$70,848,000 (NT\$0.8 per share) and stock dividends of NT\$115,128,000 (NT\$1.3 per share, equivalent to 130 new shares for every 1,000 existing shares), for a total distribution amount of NT\$185,976,000.

II. Fractional cash dividends less than NTD 1 are unconditionally rounded off, and the sum of these fractional amounts less than NTD 1 is transferred to other income of the Company.

III. Upon approval of this earnings distribution table at the shareholders' meeting, it is proposed that the shareholders' meeting authorize the Board of Directors to separately determine the ex-dividend and ex-rights dates and other related matters. Furthermore, if the total number of the Company's outstanding shares changes in the future, resulting in adjustments to the shareholders' stock and cash dividend ratios, it is proposed that the shareholders' meeting authorize the Board of Directors to handle and adjust these matters in their entirety.

IV. Please refer to Attachment 4 on page 34 of this Handbook for the earnings distribution table for 2024.

V. Your ratification will be appreciated.

Resolution:

[Discussion Items]

Proposal 1

Proposed by the Board

Subject: Proposal for Capitalization of 2024 Earnings by Issuing New Shares is hereby presented for your discussion.

Description: I. Considering the future business development needs of the Company, it is proposed to appropriate stock dividends of NT\$115,128,000 from the distributable earnings of 2024 for capitalization, resulting in the issuance of 11,512,800 new shares, each with a par value of NT\$10, all of which are common shares.

II. The rights and obligations of the new shares issued in this capital increase will be the same as those of the existing shares. Furthermore, the stock issuance will be conducted without physical certificates (book-entry transfer). This proposal is subject to the approval of the competent authority, after which the Board of Directors will be authorized to set the stock dividend record date. Based on the shareholders' registry on the stock dividend record date, stock dividends of 130 new shares will be distributed for every 1,000 existing shares held. Shareholders entitled to fractional shares of less than one share may, within five days from the book closure date, register with the Company's stock transfer agent to combine their fractional shares into a whole share. Any fractional shares resulting from the distribution that are not combined, or any remaining fractional shares after combination, will be paid in cash based on the par value, rounded down to the nearest New Taiwan Dollar. The fractional shares will be authorized to be purchased by designated individuals at par value as arranged by the Chairman.

III. Following the approval of this proposal by the shareholders' meeting and the ratification by the competent authority, the Board of Directors will separately determine the stock dividend record date, distribution date, and other related matters. If, in the future, the Company's capital stock changes, affecting the number of outstanding shares and consequently the stock dividend ratio for shareholders, it is also proposed that the shareholders' meeting authorize the Board of Directors to handle and adjust these matters in their entirety.

IV. Please discuss.

Resolution:

Proposal 2

Proposed by the Board

Subject: Amendment of the "Articles of Incorporation" is hereby presented for your discussion.

Description: I. In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and Article 4 of the Regulations Governing Matters to be Complied with by the Board of Directors of Over-the-Counter Listed Companies in the Exercise of its Powers, the Company plans to amend the "Articles of Incorporation." For the comparison table of the amended articles, please refer to Attachment 5 on pages 35 of this Handbook.

II. Please discuss.

Resolution:

[Election Items]

Proposal 1

Proposed by the Board

Subject: Proposal for the By-election of Two Independent Directors. is hereby presented.

Description: I. Due to the resignation of Mr. Shih I-Chen as an Independent Director on September 6, 2024 the resignation of Mr. Yeh Huang-Chi as an Independent Director on October 9, 2024, in accordance with Article 14-2, Paragraph 6 of the Securities and Exchange Act, a by-election should be held at the most recent shareholders' meeting. The Company plans to hold a by-election for two Independent Directors at the 2025 Annual Shareholders' Meeting in accordance with the law.

II. According to Article 18 of the Company's Articles of Incorporation, the election of directors shall adopt a candidate nomination system. The term of office for the by-elected Independent Directors shall commence from the date of their election until May 27, 2027 (the expiration date of the ninth term of the Board of Directors).

III. The Company adopts a candidate nomination system for independent directors. Shareholders shall elect directors from the list of candidates for independent directors. For their education, experience and other relevant information, please refer to Attachment 6 on pages 36 of this handbook.

IV. Please conduct the election.

Election results:

[Other Motions]

Proposal 1

Proposed by the Board

Subject: Proposal to release the prohibition on directors from participating in competitive business is hereby presented for your discussion.

Description: I. According to Article 209 of the Company Act, any director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

II. Our company's directors (including independent directors) may have invested in or operate other companies whose business scope is related or similar to that of our company. Therefore, in accordance with the law, we hereby request the shareholders' meeting to approve the lifting of the non-competition restrictions for said directors (including independent directors) and their representatives should such circumstances arise. Please refer to Attachment 7 on page 37 of this handbook for the details of the proposed lifting of the non-competition restrictions on the directors (including independent directors) and their representatives.

III. Please discuss.

Resolution:

[Extemporaneous Motions]

[Adjournment]

Tatung System Technologies Inc. (TSTI) 2024 Business Report

In recent years, TSTI has been leveraging advanced digital technologies to assist governments and enterprises in achieving sustainable and digital transformation. The company has been innovating digital solutions to help enterprises advance towards environmental protection, social responsibility, and corporate governance goals related to ESG (Environmental, Social, and Governance). In recent years, the company has positioned itself as an ACE SI (a professional IT system integration company specializing in three key areas: AI, Cloud, and ESG), aiming to assist enterprises in digital transformation, innovate business models, enhance operational efficiency, and decision analytics, aspiring to become their best dual-axis transformation partner.

In 2025, the sales team will continue promoting the company's modernized data center, comprehensive AI solutions, cybersecurity, and integrated communication solutions. Additionally, the company will expand into modern work and smart surveillance while forming strategic alliances with industry ecosystem partners and product manufacturers. Leveraging the all-encompassing OneService professional offering, we aim to deliver outstanding customer success and experience.

Internally, AI empowerment will be implemented to enhance operational efficiency, driving the company toward becoming a leading provider of integrated solutions for both sustainability and digital transformation. We remain committed to sustained revenue and profit growth, fostering a multi-win ecosystem with our customers and partners.

With the continued support of our shareholders and directors, along with the dedication of all our employees, we aim to achieve sustained growth and create greater value for all our shareholders.

I. 2024 Business Report

(I) Results of the business plan

In fiscal year 2024 (Year 113), the Company reported consolidated net operating revenue of NT\$3,930,226 thousand, representing a 5.97% decrease compared to fiscal year 2023. The standalone net operating revenue was NT\$3,265,495 thousand, reflecting a 10.36% decline year-over-year. The consolidated operating profit was NT\$218,507 thousand, an increase of 2.69% from the previous year, while the standalone operating profit was NT\$201,397 thousand, up 4.69% compared to fiscal year 2023. Consolidated profit before tax for 2024 amounted to NT\$250,177 thousand, with earnings per share before tax of approximately NT\$2.82. Net profit after tax was NT\$204,368 thousand, resulting in after-tax earnings per share of NT\$2.31.

Unit: NTD thousands

Item	Consolidated			Parent company only (TSTI)		
	2024	2023	Change %	2024	2023	Change %
Net operating revenue	3,930,226	4,179,561	(5.97%)	3,265,495	3,642,838	(10.36%)
Operating cost	2,976,825	3,252,121	(8.47%)	2,420,368	2,818,233	(14.12%)
Gross profit	953,401	927,440	2.80%	845,127	824,605	2.49%
Operating expense	734,894	714,667	2.83%	643,730	632,230	1.82%
Operating benefit	218,507	212,773	2.69%	201,397	192,375	4.69%
Net profit before tax	250,177	231,840	7.91%	246,170	226,355	8.75%
Net profit after tax	204,368	188,136	8.63%	204,368	188,136	8.63%

Overview of significant business performance:

1. Business Performance

(1) Awards and sales qualifications for the brands in 2024:

- AVAYA: Awarded FY24 The Best Performance Partner; Named FY23 Best Partner
- HPE: Recognized as FY24 Best Partner
- HPE Aruba: Named FY24 Aruba Champion Partner

- HPE: Honored with FY24 Excellence Partner, AI Innovation Award, and Aruba Excellence Partner
- HPE: Awarded FY24 2H Storage Sales Excellence Award
- Dell Technologies: Achieved 2024 Titanium Partner status
- Check Point: Named 2023 Best Technology Partner
- Dell Technologies: Awarded 2023 Best Core Storage Reseller
- Fortinet: Honored with 2023 Outstanding Performance Award
- HPE Aruba: Recognized as FY23 Aruba Champion Partner of the Year
- Avaya: Named FY23 Best Partner

(2) Quality and service Excellence

- Recognized as an outstanding supplier in Fubon Financial Holdings' 2024 Sustainability Evaluation
- Yuanta Financial Holdings 2024 A-Grade Excellent Supplier – Sustainability Excellence Award
- Taiwan Mobile – Best Carbon Reduction Partner Award
- Recognized as a 2024 CIO Taiwan Elite Vendor in the Elite Vendor Outstanding Service Provider category (4th consecutive year)
- Awarded 2024 CSEA Outstanding Customer Service Award – Best AI System Provider
- tiCARE Remote Healthcare Solution won Bronze in the CISA 2024 Young Generation Golden Award – Aging Technology Category
- Honored with Platinum in the 17th Annual Taiwan Corporate Sustainability Awards for Sustainability Report
- Certifications & Government Recognition:
- Maintained ISO 20000 and ISO 27001 professional quality certifications
- Registered under the Ministry of Digital Affairs for AI, IT Services, and Cybersecurity service capabilities

By continuously optimizing our operations and service management through certifications and awards, we are committed to building a robust IT service ecosystem and fostering a highly competitive digital environment for our customers.

(3) Operations Processes and Cybersecurity Protection:

To enhance internal operational efficiency and security, we are committed to the continuous digital optimization of our business processes. A data center has been established, featuring four core capabilities: data aggregation and integration, data refinement and processing, service visualization, and value realization. These capabilities allow departments to rapidly reuse data to meet various processing demands, reduce management costs, support front-end innovation, accelerate development processes, and ultimately realize business value.

Additionally, we collect internal data related to finance, human resources, and assets to strengthen performance management. We have introduced robotic process automation (RPA) to improve process automation and efficiency, and leveraged AI technologies to launch an enterprise AI assistant, which enhances employee experience and administrative service performance.

Under the new normal of hybrid work, we have adopted Microsoft cloud office solutions and integrated mobile communication software, enabling employees to collaborate efficiently and flexibly—whether working on-site or remotely.

To ensure the security of cloud applications, we have implemented identity lifecycle management mechanisms for employees and partners, gradually moving toward a zero-trust infrastructure. In response to the evolving landscape of cyber threats, we have deployed an automated threat exposure management platform, which plays a critical role in real-time ("during") and post-incident ("after") threat response, providing 24/7 protection against cyberattacks.

These measures not only strengthen internal operations but also enhance the security of cloud applications, effectively mitigating the risks associated with remote work and maintaining a high level of data protection. This contributes to greater cybersecurity

resilience across the organization.

(4) Employee Learning and Growth

Employee learning and development are fundamental to the company's long-term success. In 2024, we strengthened our learning infrastructure by launching diverse learning platforms and professional development programs to enhance employees' technical expertise and leadership capabilities. These initiatives include: Professional Skills Development Program, Leadership Development Program, Digital & Innovation Capability Training and Employee Growth Support Program.

Looking ahead to 2025, we will continue investing in employee learning and career development, leveraging innovative and diversified training models to help employees unlock their full potential and achieve greater success in their careers.

(5) Employee Well-being and a Thriving Workplace

While pursuing business growth and innovative development, we are committed to creating a work environment that supports the physical and mental well-being and happiness of our employees. As our company expands and market demands evolve, we place greater emphasis on employee welfare to enhance overall job satisfaction and loyalty, ultimately achieving a win-win situation for both the company and our employees.

In 2024, we introduced a new employee experience management solution, conducted employee experience and engagement surveys, and carried out our first workplace human rights climate survey. In addition, we actively encourage employees to participate in public welfare activities and strongly support sports clubs to further promote physical and mental health. We were also honored with the Sports Administration's Sports Enterprise Certification, recognizing our efforts in fostering employee health and an active corporate culture.

2. Subsidiary – Chyun Huei Commercial Technologies Inc.

Chyun Huei Commercial Technologies Inc. adopts an OT SI (Operational Technology System Integration) strategy, offering a comprehensive range of products, solutions, and consulting services in the OT sector. By complementing the ICT SI business model of its parent company, SynBright focuses on rapid project delivery through OT channel products, software, and professional digital output solutions. With this approach, the company continues to expand its market presence and drive sales growth.

3. Subsidiary – TSTI Technologies (Shanghai) Co., Ltd.

In addition to collaborating with its parent company on ICT system integration projects for Taiwanese enterprises across the Taiwan Strait, Tsti Technologies (Shanghai) Co., Ltd. is actively exploring innovative product solutions for agency representation. By offering differentiated and competitive solutions and services, the company aims to establish new business models and market positioning.

4. Subsidiary – TISNet Technology Inc.

TISNet Technology Inc. continues to drive revenue growth through the distribution of software, focusing on cybersecurity products, professional services, and cloud services. The company has obtained the Ministry of Economic Affairs' Industrial Development Bureau's "Cybersecurity Service Agency Capability Registration", and is actively negotiating for the agency rights of cybersecurity products.

The company remains focused on six key areas of cybersecurity services: (1)Cybersecurity Testing Services (2)Account Security Protection (3)Document Security Protection (4)Data Security Protection (5)Ransomware Defense (6)Cybersecurity Talent Training. By providing professional services in these areas, the company aims to capture new business opportunities in the cybersecurity sector.

(II) Implementation status of budget: This is not applicable because the Company did not make the financial forecast public in 2024.

(III) Analysis of revenue and profitability

Item	Consolidated		Unconsolidated	
	2024	2023	2024	2023
Current ratio	186.80%	165.55%	183.57%	156.67%
Debt to assets ratio	49.50%	53.76%	46.14%	51.52%
Return on equity	13.74%	12.98%	13.74%	12.98%

Item	Consolidated		Unconsolidated	
	2024	2023	2024	2023
Gross profit margin	24.26%	22.19%	25.88%	22.64%
Net Profit margin	5.20%	4.50%	6.26%	5.16%
EPS after tax	2.31	2.12	2.31	2.12

(IV) Research and development

The main focuses of innovation and R&D in 2024 are centered on the following two key areas:

■ Language Understanding and Generation System Enhancement Plan:

The focus of innovation and research in 2024 is on integrating Generative AI to build a Retrieval-Augmented Generation (RAG) framework. This will enhance the technical foundation of Darsci Technology's proprietary robots and deepen domain-specific applications. The development will target intelligent service platforms for marketing, customer service, and internal knowledge, setting them apart from traditional knowledge management tasks. This initiative will assist clients in quickly adopting robotic services to improve efficiency and service delivery.

■ Smart Restroom 2.0 - Environmental and Sustainability Focus:

Leveraging IoT technology, the Smart restroom 2.0 project aims to achieve intelligent management in restroom environments. By combining artificial intelligence and big data analytics, the system will collect and analyze user behavior data to optimize user experience and improve energy efficiency. Additionally, the development of water-saving technologies and the use of eco-friendly materials will reduce water consumption and environmental impact. The integration of an intelligent monitoring system will predict and identify maintenance needs, reduce energy waste, and extend equipment lifespan, embodying true environmental sustainability.

II. External Competitive Environment, Regulatory Environment, and Overall Business Environment

In 2024, the global economy exhibited dual disparities across regions and industries. The economic performance in the U.S. and Europe was better than initially expected compared to 2023, while Japan and China underperformed. Taiwan benefited from the demand for artificial intelligence (AI) and emerging technologies, resulting in an estimated economic growth rate of 4.3%, exceeding expectations. Looking ahead to 2025, uncertainties in the global economy have increased due to former U.S. President Trump's various reform policies. Additionally, challenges persist in China's economic recovery. Major international forecasting agencies, such as S&P Global, estimate that the global economic growth rate will be around 2.51%. Given the uncertain global political and economic environment, Taiwan is expected to leverage the resurgence in demand for electronic products, as well as the expanding applications of high-performance computing and AI, along with adjustments in national economic and trade policies. The estimated economic growth rate for Taiwan in 2025 is forecasted to be 3.22% by the Chung-Hua Institution for Economic Research (CIER) and 3.42% by the Taiwan Institute of Economic Research (TIER).

In the ICT industry, the Market Intelligence & Consulting Institute (MIC) under the Institute for Information Industry has forecasted major ICT industry trends for 2025, highlighting AI's significant influence across industries. According to Gartner's 2025 technology trends report, future technological development will focus on three key areas: opportunities and challenges of AI, breakthroughs in computing technology, and new forms of human-machine collaboration. IDC predicts that global AI spending will reach \$227 billion by 2025 and exceed \$19.9 trillion by 2030, creating a new AI-driven economy. Furthermore, IDC outlines five key trends for Taiwan's ICT market in 2025: (1) The next wave of GenAI development—expanding into multimodal and multi-model applications. (2) The expansion of edge IT infrastructure driven by GenAI, boosting cloud market growth. (3) The acceleration of MDaaS (Managed Data as a Service) through edge computing and AI devices. (4) A new era of cybersecurity—AI BOM (Bill of Materials) and cryptographic agility. (5) AI-driven carbon emissions management becoming a mainstream trend, with "green collar" talent gaining prominence.

III. Overview of 2025 Business Plan

To address these industry trends, our company has established key strategic plans and operational priorities for 2025:

(I) Establishing a Collaborative Framework Across Subsidiaries:

1. Strategic Focus on Five Core Areas: AI, Cybersecurity, Modern Data Center (Modern DC), Modern Work, Unified Communications & Collaboration (UC&C) and OneService. Our organization is divided into eight major business units: System Integration Business Group,

OneService Business Group, ICT Integration Business Group, OneCloud & Pre-sales Business Group, Digital & Sustainability Business Group, Digital Finance Business Group, Smart Edge Solutions Business Group, and the Central & Southern Area Business Group. These units operate as independent profit centers while fostering cross-departmental collaboration. In the new fiscal year, we will emphasize resource optimization and talent development to align with future market trends. Through this new organizational structure, we aim to unite all partners, drive higher operational performance, and solidify our market position under the strategic direction of "AI-Driven, Dual-Axis Transformation."

2. Chyun Huei Commercial Technologies Inc. will focus on offering comprehensive OT solutions and consulting services, covering asset management, workstations, barcode printers, and wide-format printers. The company will expand sales by integrating NVIDIA-powered AI inference platforms, Zebra barcode scanners, and machine vision solutions to become a leading AIoT partner in smart manufacturing.
3. TISNet Technology will leverage its ISP/IDC service operations while expanding into system and website development, value-added cloud services, and enterprise cybersecurity compliance. It will focus on six major cybersecurity services: security testing, account security protection, document security, data security, ransomware defense, and cybersecurity training.
4. TSTI Technologies (Shanghai) will continue establishing partnerships with cybersecurity software vendors, acting as an agent for their products in China. By introducing innovative solutions, the company aims to boost revenue and profit margins, expand its market presence, and attract new customer segments.

Collectively, TSTI and its subsidiaries have established a comprehensive collaborative framework that advances in six strategic directions: ICT system integration, value-added digital transformation applications, professional services, distribution operations, cloud services, and international business. This multifaceted approach aims to enhance overall corporate competitiveness and expand market presence.

(II) Strategic Focus and Sustainable Growth:

1. Deepening Key Client Engagement (Power Accounts) and Expanding Large-Scale Projects: Assigning dedicated Account Managers, Pre-Sales Consultants, and Customer Success Managers to actively support digital transformation initiatives. Utilizing six core solutions and OneService to meet client needs for AI-driven innovation and enhance revenue growth.
2. Strengthening the development of Domain System Integration (Domain SI): providing core solutions for various industries and continuously delivering the best solutions and satisfactory services to our customers.
 - Digital Finance: Offering comprehensive OneAI solutions, microservices container platforms, big data analytics, data governance, intelligent communications, AI-driven customer service, and cybersecurity solutions. Partnering with customers, Dashike, and third-party developers to create an industry ecosystem and deliver innovative solutions.
 - Smart Manufacturing: Helping enterprises leverage AIoT and big data platforms for production line data collection and real-time monitoring. By integrating ERP and MES systems with AI/ML data analysis, we improve production efficiency and quality. AI + RPA (industry RPA) solutions will be deployed to enhance productivity and reduce error rates.
 - Smart Healthcare: Providing ten smart healthcare solutions, including big data analytics, next-generation HIS container platforms, telemedicine, e-commerce procurement, energy management, and smart restrooms. We will continue developing data integration platforms based on FHIR standards for cross-hospital data exchange.
3. Each business division of the Digital Sustainability Business Group has a corresponding R&D department to continue to develop AI-based innovative industrial applications and integrate ESG ecosystem partner solutions, in order to grasp the opportunities of the digital and sustainable dual-axis transformation, and become the industry's best partner of the industries in this field. We will accelerate the productization of our own software, replicate successful industrial applications to expand market shares, and effectively increase the gross profit margin and the operating revenue from the transformation business.
4. Innovative application adoption: Developing hybrid cloud solutions, including IaaS, PaaS, SaaS-based Cloud SI and MSP operations. Expanding proprietary and third-party software sales, covering AI cybersecurity, ESG AIoT business intelligence, energy management, AI-driven customer service applications, and smart healthcare solutions.

(III) Enhancing Internal Digital Management and Talent Development:

To improve operational efficiency and quality, the Company is committed to digitizing various workflows and integrating multiple information systems. By leveraging our existing AI technology—specifically the ibo.ai text-based customer service chatbot—we have further integrated a generative enterprise AI assistant, seamlessly connecting it with our customer service system. This integration enables smoother and more intelligent information flows, thereby enhancing internal service quality and improving customer satisfaction.

To ensure talent development keeps pace with organizational growth, we have effectively linked performance evaluation, competency development, and knowledge transfer through mechanisms such as talent identification systems, KPI implementation frameworks, internal job rotation programs, performance coaching, and technical knowledge transfer initiatives.

We continue to promote a range of initiatives centered on employee health and well-being, including physical and mental wellness programs, flexible work arrangements, family and childcare support, employee benefits and incentives, as well as a caring and inclusive corporate culture. Our corporate values—Proactivity, Service, Co-creation, and Mutual Prosperity—are actively reinforced to encourage teamwork and mutual support. These efforts aim to foster a diverse and inclusive work environment, strengthen long-term employee engagement, and drive sustainable growth in revenue and profitability.

(IV) Future Development Direction of Company Software Development:

Our R&D efforts this year focus on deepening applications across various industry sectors by integrating advanced digital technologies—including artificial intelligence (AI), big data analytics, and microservices architecture—into the financial, manufacturing, service, and healthcare domains. Key innovation priorities include the development of AI expert assistants for diverse industries, advancements in AI-driven customer service, and the promotion of digital health and smart healthcare solutions.

IV. Future Company Development Strategy

The Company remains committed to its core values of Innovation, Service, Teamwork, and Integrity in its relationships with employees, suppliers, customers, and shareholders. Each year, we pursue steady and balanced operations with the goal of achieving long-term growth in revenue and profitability.

In response to evolving industry demands and rapid technological advancements, we will continue to strengthen our capabilities in advanced technologies and invest in the development of market-oriented proprietary software products. At the same time, we are rapidly expanding our hybrid cloud service offerings and actively cultivating partnerships within the ACE industry ecosystem. We also evaluate investment opportunities in complementary businesses to enhance the agility of our operating model and deepen integration across the external industrial value chain.

These efforts aim to enhance our capabilities in infrastructure solutions, customer service, and integrated software sales, positioning the Company as a leading provider of ICT integrated services. Our vision is to become the most competitive provider in Taiwan of comprehensive AI solutions and a driving force for dual digital and sustainable transformation.

Chairman: Chun-Lung Wu

President: Yin-Hsiu Liu

Accounting Manager: Chiu-Chan Hsu



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Independent Auditors' Report

To the Board of Directors of TATUNG SYSTEM TECHNOLOGIES INC.:

Opinion

We have audited the financial statements of TATUNG SYSTEM TECHNOLOGIES INC. (“the Company”), which comprise the balance sheet as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

Please refer to Note 4(n) for the accounting principles on revenue recognition and Note 6(s) for the description on revenue recognition.

(a) Description of key audit matter:

The main source of revenue of the Company was from the goods and labor services, since the products sold are mainly servers, storage devices, software and other commodities, revenue is recognized when the buyer accepts the delivery or when the installation and acceptance are completed. Because the sales contracts of some large-scale projects include various types of goods and services, such as computers, peripheral devices, software, and maintenance, it is necessary to determine the performance obligation and the applicable methods of revenue recognition. Therefore, the test of revenue recognition is one of the key audit matters.

(b) Audit procedures performed:

The main audit procedures of the key audit matter mentioned above include:

- Understanding and testing the design and implementation of internal controls for the sale cycle.
- Sampling the original order or contract and shipment receipt, reviewing the transaction terms in order to evaluate whether the revenue recognition complies with the relevant standards.
- Performing a reconciliation of various vouchers before and after the balance sheet date in order to determine the appropriate period for sales revenue recognizing in the financial statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huang, Hsin-Ting and Lai, Li-Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 3, 2025

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC.**Non-Consolidated Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

		December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(a))	\$ 643,474	23	578,625	19
1136	Financial assets measured at amortized cost, current (Notes 6(c) and 8)	34,408	1	54,062	2
1140	Contract assets, current (Notes 6(s), (v) and 7)	188,331	7	202,382	7
1150	Notes receivable, net (Note 6(d))	4,552	-	10,690	-
1170	Accounts receivable, net (Note 6(d))	509,587	18	541,639	18
1180	Accounts receivable — related parties, net (Notes 6(d) and 7)	61,217	2	95,750	3
1196	Operating lease receivable, net (Notes 6(e) and (v))	3,082	-	7,762	-
1197	Finance lease receivable, net (Notes 6(f), (v) and 7)	2,089	-	4,802	-
1200	Other receivables (Notes 6(v) and 7)	1,772	-	2,063	-
130X	Inventories (Note 6(g))	558,710	20	659,919	22
1410	Prepayments	16,914	1	18,552	1
	Total current assets	2,024,136	72	2,176,246	72
Non-current assets:					
1510	Financial assets at fair value through profit or loss, non-current (Note 6(b))	63,910	2	48,899	2
1535	Financial assets measured at amortized cost, non-current (Notes 6(c) and 8)	40,505	2	42,543	1
1550	Investments accounted for using equity method (Note 6(h))	192,807	7	234,024	8
1560	Contract assets, non-current (Notes 6(s), (v) and 7)	-	-	30,030	1
1600	Property, plant and equipment (Notes 6(i) and 7)	57,669	2	73,107	2
1755	Right-of-use assets (Notes 6(j) and 7)	111,745	4	54,754	2
1780	Intangible assets (Note 6(k))	4,463	-	5,945	-
1840	Deferred tax assets (Note 6(p))	26,022	1	27,395	1
1920	Refundable deposits (Note 7)	88,497	3	90,777	3
1932	Long-term receivables, net (Notes 6(d) and 7)	189,190	7	235,959	8
194D	Long-term finance lease receivable, net (Notes 6(f), (v) and 7)	1,691	-	4,115	-
	Total non-current assets	776,499	28	847,548	28
	Total assets	\$ 2,800,635	100	3,023,794	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC.**Non-Consolidated Balance Sheets (CONT'D)****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term loans (Note 6(l))	\$ 50,000	2	80,000	3
2110	Short-term notes and bills payable (Note 6(m))	-	-	49,990	2
2130	Contract liabilities, current (Notes 6(s) and 7)	190,057	7	143,495	5
2150	Notes payable	658	-	2,871	-
2170	Accounts payable	530,077	19	770,073	25
2180	Accounts payable—related parties (Note 7)	36,933	1	52,519	2
2200	Other payables (Note 7)	215,811	8	189,630	6
2230	Current tax liabilities (Note 6(p))	24,678	1	38,519	1
2250	Provisions, current	3,609	-	613	-
2280	Lease liabilities, current (Notes 6(n) and 7)	34,473	1	40,486	1
2300	Other current liabilities	16,327	-	20,825	1
	Total current liabilities	1,102,623	39	1,389,021	46
Non-Current liabilities:					
2527	Contract liabilities, non-current(Note 6(s))	27,501	1	36,679	1
2570	Deferred tax liabilities (Note 6(p))	1,183	-	114	-
2580	Lease liabilities, non-current (Notes 6(n) and 7)	81,443	3	20,239	1
2620	Long-term payables—related parties (Note 7)	50,669	2	67,806	2
2640	Net defined benefit liabilities, non-current (Note 6(o))	28,767	1	41,516	1
2645	Guarantee deposits received (Note 7)	130	-	180	-
2650	Credit balance of investments accounted for using the equity method (Note 6(h))	-	-	2,291	-
	Total non-current liabilities	189,693	7	168,825	5
	Total liabilities	1,292,316	46	1,557,846	51
Equity attributable to owners of parent (Note 6(q)):					
3110	Common stock	885,600	32	885,600	29
3200	Capital surplus	80,788	3	80,788	3
Retained earnings:					
3310	Legal reserve	320,118	11	301,376	10
3320	Special reserve	3,881	-	3,908	-
3350	Unappropriated earnings	221,862	8	198,158	7
	Total retained earnings	545,861	19	503,442	17
3400	Other equity	(3,930)	-	(3,882)	-
	Total equity	1,508,319	54	1,465,948	49
	Total liabilities and equity	\$ 2,800,635	100	3,023,794	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC.**Non-Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar , except for Earnings Per Share)**

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Notes 6(s) and 7)	\$ 3,265,495	100	3,642,838	100
5000	Operating costs (Notes 6(g) and 7)	<u>2,420,368</u>	<u>74</u>	<u>2,818,233</u>	<u>77</u>
5950	Gross profit	<u>845,127</u>	<u>26</u>	<u>824,605</u>	<u>23</u>
6000	Operating expenses (Notes 6(d), (o), (t) and 7):				
6100	Selling expenses	435,377	13	420,203	12
6200	Administrative expenses	154,080	5	139,779	4
6300	Research and development expenses	54,803	2	71,718	2
6450	Expected credit losses	<u>(530)</u>	<u>-</u>	<u>530</u>	<u>-</u>
	Total operating expenses	<u>643,730</u>	<u>20</u>	<u>632,230</u>	<u>18</u>
6900	Net operating income	<u>201,397</u>	<u>6</u>	<u>192,375</u>	<u>5</u>
7000	Non-operating income and expenses (Notes 6(h), (u) and 7):				
7100	Interest income	7,696	-	8,188	-
7010	Other income	15,093	-	3,906	-
7020	Other gains and losses	11,071	-	8,955	-
7050	Finance costs	<u>(3,293)</u>	<u>-</u>	<u>(5,113)</u>	<u>-</u>
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	<u>14,206</u>	<u>1</u>	<u>18,044</u>	<u>-</u>
	Total non-operating income and expenses	<u>44,773</u>	<u>1</u>	<u>33,980</u>	<u>-</u>
7900	Profit before tax	<u>246,170</u>	<u>7</u>	<u>226,355</u>	<u>5</u>
7950	Less: Income tax expenses (Note 6(p))	<u>41,802</u>	<u>1</u>	<u>38,219</u>	<u>1</u>
8200	Net income	<u>204,368</u>	<u>6</u>	<u>188,136</u>	<u>4</u>
8300	Other comprehensive income (loss) :				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans	2,549	-	(912)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified	<u>(152)</u>	<u>-</u>	<u>12</u>	<u>-</u>
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(510)</u>	<u>-</u>	<u>182</u>	<u>-</u>
	Total items that may not be reclassified subsequently to profit or loss	<u>1,887</u>	<u>-</u>	<u>(718)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>(48)</u>	<u>-</u>	<u>26</u>	<u>-</u>
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(48)</u>	<u>-</u>	<u>26</u>	<u>-</u>
8300	Other comprehensive income (loss)	<u>1,839</u>	<u>-</u>	<u>(692)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 206,207</u>	<u>6</u>	<u>187,444</u>	<u>4</u>
	Earnings per share (NT dollars) (Note 6(r))				
9750	Basic earnings per share	<u>\$ 2.31</u>		<u>2.12</u>	
9850	Diluted earnings per share	<u>\$ 2.30</u>		<u>2.11</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC.

Non-Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Retained Earnings					Other Equity		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total retained earnings	Exchange Differences on Translation of Foreign Operations Financial Statements	Total Equity
Balance on January 1, 2023	\$ 885,600	80,092	283,678	3,978	183,348	471,004	(3,908)	1,432,788
Net income for the year ended December 31, 2023	-	-	-	-	188,136	188,136	-	188,136
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(718)	(718)	26	(692)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	187,418	187,418	26	187,444
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	17,698	-	(17,698)	-	-	-
Reversal of special reserve	-	-	-	(70)	70	-	-	-
Cash dividends	-	-	-	-	(154,980)	(154,980)	-	(154,980)
Gains after disgorgement exercised	-	696	-	-	-	-	-	696
Balance on December 31, 2023	885,600	80,788	301,376	3,908	198,158	503,442	(3,882)	1,465,948
Net income for the year ended December 31, 2024	-	-	-	-	204,368	204,368	-	204,368
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	1,887	1,887	(48)	1,839
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	206,255	206,255	(48)	206,207
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	18,742	-	(18,742)	-	-	-
Reversal of special reserve	-	-	-	(27)	27	-	-	-
Cash dividends	-	-	-	-	(163,836)	(163,836)	-	(163,836)
Balance on December 31, 2024	\$ 885,600	80,788	320,118	3,881	221,862	545,861	(3,930)	1,508,319

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC.

Statements of Non-Consolidated Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 246,170	226,355
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	95,563	130,132
Amortization expense	5,579	4,214
Expected credit loss	(530)	530
Net gain on financial assets or liabilities at fair value through profit or loss	(5,717)	(10,095)
Interest expense	3,293	5,113
Interest income	(7,696)	(8,188)
Dividend income	(1,400)	(1,400)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(14,206)	(18,044)
Gain on disposal of other assets	(70)	-
Gain on disposal of investments	(657)	-
Total adjustments to reconcile profit (loss)	<u>74,159</u>	<u>102,262</u>
Changes in operating assets and liabilities:		
Contract assets	44,081	97,340
Notes receivable	6,138	4,119
Accounts receivable	32,582	168,797
Accounts receivable-related parties	26,924	(29,349)
Operating lease receivable	4,680	1,504
Finance lease receivable	2,713	5,559
Other receivables	140	(841)
Inventories	87,195	70,519
Prepayments	1,638	(4,564)
Long-term receivables	46,769	(16,658)
Long-term finance lease receivable	2,424	4,200
Contract liabilities	37,384	48,109
Notes payable	(2,213)	-
Accounts payable	(239,996)	(84,201)
Accounts payable-related parties	(15,586)	31,035
Other payables	25,008	(28,248)
Other current liabilities	(1,502)	14,722
Net defined benefit liabilities	(10,200)	(12,636)
Other operating liabilities	(17,137)	1,857
Total adjustments	<u>105,201</u>	<u>373,526</u>
Cash inflow generated from operations	351,371	599,881
Income taxes paid	(53,711)	(23,798)
Net cash flows from operating activities	<u>297,660</u>	<u>576,083</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC.**Statements of Non-Consolidated Cash Flows (CONT'D)****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets measured at amortized cost	(30,516)	(29,299)
Disposal of financial assets measured at amortized cost	52,208	10,797
Acquisition of financial assets at fair value through profit or loss	(9,294)	(20,604)
Proceeds from disposal of investments accounted for using equity method	6,500	-
Proceeds from capital reduction of investments accounted for using equity method	35,000	-
Acquisition of property, plant and equipment	(4,044)	(18,174)
Decrease in refundable deposits	2,280	7,640
Acquisition of intangible assets	(4,097)	(4,027)
Interest received	7,847	7,892
Dividends received	21,098	21,053
Net cash flows from (used in) investing activities	<u>76,982</u>	<u>(24,722)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	700,000	1,640,000
Decrease in short-term loans	(730,000)	(1,800,000)
Decrease in short-term notes and bills payable	(49,990)	(9,988)
Decrease in guarantee deposits received	(50)	(51)
Payment of lease liabilities	(62,565)	(101,848)
Cash dividends paid	(163,836)	(154,980)
Interest paid	(3,352)	(5,341)
Disgorgement exercised	-	696
Net cash flows used in financing activities	<u>(309,793)</u>	<u>(431,512)</u>
Net increase in cash and cash equivalents	64,849	119,849
Cash and cash equivalents at beginning of period	578,625	458,776
Cash and cash equivalents at end of period	<u>\$ 643,474</u>	<u>578,625</u>

See accompanying notes to parent company only financial statements.



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors of TATUNG SYSTEM TECHNOLOGIES INC.:

Opinion

We have audited the consolidated financial statements of TATUNG SYSTEM TECHNOLOGIES INC. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

Please refer to Note 4(p) for the accounting principles on revenue recognition and Note 6(s) for the description on revenue recognition.

(a) Description of key audit matter:

The main source of revenue of the Group was from the goods and labor services, since the products sold are mainly servers, storage devices, software and other commodities, revenue is usually recognized when the buyer accepts the delivery or when the installation and acceptance are completed. Because the sales contracts of some large-scale projects include various types of goods and services, such as computers, peripheral devices, software, and maintenance, it is necessary to determine the performance obligation and the applicable methods of revenue recognition. Therefore, the test of revenue recognition is one of the key audit matters.

(b) Audit procedures performed:

The main audit procedures of the key audit matter mentioned above include:

- Understanding and testing the design and implementation of internal controls for the sales cycle.
- Sampling the original order or contract and shipment receipt, reviewing the transaction terms in order to evaluate whether the revenue recognition complies with the relevant standards.
- Performing a reconciliation of various vouchers before and after the balance sheet date in order to determine the appropriate period for sales revenue recognition in the financial statements.

Other Matter

TATUNG SYSTEM TECHNOLOGIES INC. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huang, Hsin-Ting and Lai, Li-Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 3, 2025

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC. AND SUBSIDIARIES**Consolidated Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6(a))	\$ 790,016	27	738,910	23
1136	Financial assets measured at amortized cost, current (Notes 6(c) and 8)	63,413	2	82,260	3
1140	Contract assets, current (Notes 6(s), (v) and 7)	203,124	7	215,129	7
1150	Notes receivable, net (Note 6(d))	5,886	-	16,428	-
1170	Accounts receivable, net (Note 6(d))	608,006	20	624,725	20
1180	Accounts receivable—related parties, net (Notes 6(d), 7 and 8)	71,438	2	100,905	3
1196	Operating lease receivable, net (Notes 6(e), (v) and 7)	3,565	-	8,130	-
1197	Finance lease receivable, net (Notes 6(f), (v) and 7)	2,816	-	5,647	-
1200	Other receivables (Notes 6(v) and 7)	2,063	-	2,086	-
130X	Inventories (Note 6(g))	608,620	21	716,280	23
1410	Prepayments	20,732	1	28,047	1
	Total current assets	2,379,679	80	2,538,547	80
Non-current assets:					
1510	Financial assets at fair value through profit or loss, non-current (Note 6(b))	63,910	2	48,899	2
1535	Financial assets measured at amortized cost, non-current (Notes 6(c) and 8)	42,234	1	45,250	1
1550	Investments accounted for using equity method (Note 6(h))	-	-	5,402	-
1560	Contract assets, non-current (Notes 6(s), (v) and 7)	-	-	30,030	1
1600	Property, plant and equipment (Notes 6(i) and 7)	64,401	2	81,686	3
1755	Right-of-use assets (Notes 6(j) and 7)	125,420	4	55,278	2
1780	Intangible assets (Note 6(k))	4,499	-	6,306	-
1840	Deferred tax assets (Note 6(p))	28,754	1	28,593	1
1920	Refundable deposits (Note 7)	84,187	3	85,745	3
1932	Long-term receivables, net (Notes 6(d) and 7)	190,571	7	239,830	7
194D	Long-term finance lease receivable, net (Notes 6(f), (v) and 7)	3,218	-	4,821	-
	Total non-current assets	607,194	20	631,840	20
	Total assets	\$ 2,986,873	100	3,170,387	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC. AND SUBSIDIARIES**Consolidated Balance Sheets (CONT'D)****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term loans (Note 6(l))	\$ 50,000	2	80,000	3
2110	Short-term notes and bills payable (Note 6(m))	-	-	49,990	2
2130	Contract liabilities, current (Notes 6(s) and 7)	213,287	7	157,929	5
2150	Notes payable	658	-	2,871	-
2170	Accounts payable	642,910	22	860,713	27
2180	Accounts payable—related parties (Note 7)	30,312	1	56,265	2
2200	Other payables (Note 7)	250,555	8	218,506	7
2230	Current tax liabilities (Note 6(p))	27,466	1	43,913	1
2250	Provisions, current	3,609	-	613	-
2280	Lease liabilities, current(Notes 6(n) and 7)	37,947	1	40,896	1
2300	Other current liabilities	17,149	1	21,680	1
	Total Current liabilities	1,273,893	43	1,533,376	49
Non-Current liabilities:					
2527	Contract liabilities, non-current (Note 6(s))	27,501	1	36,679	1
2570	Deferred tax liabilities (Note 6(p))	1,183	-	114	-
2580	Lease liabilities, non-current (Notes 6(n) and 7)	91,722	3	20,313	1
2620	Long-term payables—related parties(Note 7)	50,669	2	67,806	2
2640	Net defined benefit liabilities, non-current (Note 6(o))	33,456	1	45,971	1
2645	Guarantee deposits received (Note 7)	130	-	180	-
	Total non-current liabilities	204,661	7	171,063	5
	Total liabilities	1,478,554	50	1,704,439	54
Equity attributable to owners of parent (Note 6(q)):					
3110	Common stock	885,600	29	885,600	28
3200	Capital surplus	80,788	3	80,788	3
Retained earnings:					
3310	Legal reserve	320,118	11	301,376	10
3320	Special reserve	3,881	-	3,908	-
3350	Unappropriated earnings	221,862	7	198,158	5
	Total retained earnings	545,861	18	503,442	15
3400	Other equity	(3,930)	-	(3,882)	-
	Total equity	1,508,319	50	1,465,948	46
	Total liabilities and equity	\$ 2,986,873	100	3,170,387	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar , except for Earnings Per Share)**

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Notes 6(s) and 7)	\$ 3,930,226	100	4,179,561	100
5000	Operating costs (Notes 6(g)and 7)	<u>2,976,825</u>	<u>76</u>	<u>3,252,121</u>	<u>78</u>
5950	Gross profit	<u>953,401</u>	<u>24</u>	<u>927,440</u>	<u>22</u>
6000	Operating expenses (Notes 6(d), (o), (t)and 7):				
6100	Selling expenses	512,383	13	492,302	12
6200	Administrative expenses	161,489	4	151,507	4
6300	Research and development expenses	54,803	1	71,328	2
6450	Expected credit (gains) losses	<u>6,219</u>	<u>-</u>	<u>(470)</u>	<u>-</u>
	Total operating expenses	<u>734,894</u>	<u>18</u>	<u>714,667</u>	<u>18</u>
6900	Net operating income	<u>218,507</u>	<u>6</u>	<u>212,773</u>	<u>4</u>
7000	Non-operating income and expenses (Notes 6(h), (u)and 7):				
7100	Interest income	9,092	-	9,618	-
7010	Other income	16,132	-	6,186	-
7020	Other gains and losses	10,145	-	8,364	-
7050	Finance costs	(4,140)	-	(5,920)	-
7060	Shares of profit (loss) of associates accounted for using equity method	<u>441</u>	<u>-</u>	<u>819</u>	<u>-</u>
	Total non-operating income and expenses	<u>31,670</u>	<u>-</u>	<u>19,067</u>	<u>-</u>
7900	Profit before tax	<u>250,177</u>	<u>6</u>	<u>231,840</u>	<u>4</u>
7950	Less: Income tax expenses (Note 6(p))	<u>45,809</u>	<u>1</u>	<u>43,704</u>	<u>1</u>
8200	Net income	<u>204,368</u>	<u>5</u>	<u>188,136</u>	<u>3</u>
8300	Other comprehensive income (loss) :				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans	2,359	-	(897)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(472)</u>	<u>-</u>	<u>179</u>	<u>-</u>
	Total items that may not be reclassified subsequently to profit or loss	<u>1,887</u>	<u>-</u>	<u>(718)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(48)	-	26	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(48)</u>	<u>-</u>	<u>26</u>	<u>-</u>
8300	Other comprehensive income (loss)	<u>1,839</u>	<u>-</u>	<u>(692)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 206,207</u>	<u>5</u>	<u>187,444</u>	<u>3</u>
	Earnings per share (NT dollars) (Note 6(r))				
9750	Basic earnings per share	\$ <u>2.31</u>		<u>2.12</u>	
9850	Diluted earnings per share	\$ <u>2.30</u>		<u>2.11</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent							Other Equity	
	Retained earnings							Exchange Differences on Translation of	
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings	Financial Statements	Foreign Operations	Total Equity
Balance on January 1, 2023	\$ 885,600	80,092	283,678	3,978	183,348	471,004	(3,908)	-	1,432,788
Net income for the year ended December 31, 2023	-	-	-	-	188,136	188,136	-	-	188,136
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(718)	(718)	26	-	(692)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	187,418	187,418	26	-	187,444
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	17,698	-	(17,698)	-	-	-	-
Reversal of special reserve	-	-	-	(70)	70	-	-	-	-
Cash dividends	-	-	-	-	(154,980)	(154,980)	-	-	(154,980)
Gains after disgorgement exercised	-	696	-	-	-	-	-	-	696
Balance on December 31, 2023	885,600	80,788	301,376	3,908	198,158	503,442	(3,882)	-	1,465,948
Net income for the year ended December 31, 2024	-	-	-	-	204,368	204,368	-	-	204,368
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	1,887	1,887	(48)	-	1,839
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	206,255	206,255	(48)	-	206,207
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	18,742	-	(18,742)	-	-	-	-
Reversal of special reserve	-	-	-	(27)	27	-	-	-	-
Cash dividends	-	-	-	-	(163,836)	(163,836)	-	-	(163,836)
Balance on December 31, 2024	\$ 885,600	80,788	320,118	3,881	221,862	545,861	(3,930)	-	1,508,319

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 250,177	231,840
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	103,862	138,368
Amortization expense	7,228	4,482
Expected credit gain	6,219	(470)
Net gain on financial assets or liabilities at fair value through profit or loss	(5,717)	(10,095)
Interest expense	4,140	5,920
Interest income	(9,092)	(9,618)
Dividend income	(1,400)	(1,400)
Share of profit of associates accounted for using equity method	(441)	(819)
Loss on disposal of property, plant and equipment	31	41
Gain on disposal of investments	(657)	-
Gain on disposal of other assets	(70)	-
Total adjustments to reconcile profit	<u>104,103</u>	<u>126,409</u>
Changes in operating assets and liabilities:		
Contract assets	42,035	90,077
Notes receivable	10,542	16,365
Accounts receivable	10,500	180,542
Accounts receivable-related parties	29,467	(26,824)
Operating lease receivable	4,565	1,456
Finance lease receivable	2,831	5,707
Other receivables	(128)	(828)
Inventories	92,154	72,119
Prepayments	7,315	(9,829)
Long-term notes receivable	-	770
Long-term receivables	49,259	(14,622)
Long-term finance lease receivable	1,603	4,907
Contract liabilities	46,180	58,035
Notes payable	(2,213)	-
Accounts payable	(217,803)	(87,827)
Accounts payable-related parties	(25,953)	37,945
Other payables	30,755	(26,095)
Other current liabilities	(1,535)	14,657
Net defined benefit liabilities	(10,156)	(12,589)
Other operating liabilities	(17,137)	1,857
Total adjustments	<u>156,384</u>	<u>432,232</u>
Cash inflow generated from operations	406,561	664,072
Income taxes paid	(61,820)	(29,158)
Net cash flows from operating activities	<u>344,741</u>	<u>634,914</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG SYSTEM TECHNOLOGIES INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows (CONT'D)****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(33,896)	(36,119)
Disposal of financial assets at amortized cost	55,759	17,097
Acquisition of financial assets at fair value through profit or loss	(9,294)	(20,604)
Proceeds from disposal of investments accounted for using equity method	6,500	-
Acquisition of property, plant and equipment	(5,065)	(19,506)
Disposal of property, plant and equipment	3	-
Decrease in refundable deposits	1,558	7,387
Acquisition of intangible assets	(5,421)	(4,611)
Interest received	9,243	9,330
Dividends received	<u>1,400</u>	<u>1,400</u>
Net cash flows from (used in) investing activities	<u>20,787</u>	<u>(45,626)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	715,000	1,680,000
Decrease in short-term loans	(745,000)	(1,840,000)
Decrease in short-term notes and bills payable	(49,990)	(9,988)
Decrease in guarantee deposits received	(50)	(132)
Payment of lease liabilities	(66,279)	(105,360)
Cash dividends paid	(163,836)	(154,980)
Interest paid	(4,199)	(6,149)
Disgorgement exercised	<u>-</u>	<u>696</u>
Net cash flows used in financing activities	<u>(314,354)</u>	<u>(435,913)</u>
Effect of exchange rate changes on cash and cash equivalents	(68)	36
Net increase in cash and cash equivalents	51,106	153,411
Cash and cash equivalents at beginning of period	<u>738,910</u>	<u>585,499</u>
Cash and cash equivalents at end of period	<u><u>\$ 790,016</u></u>	<u><u>738,910</u></u>

Tatung System Technologies Inc. (TSTI)

Independent Director's Review Report

The Board of Directors of the Company has prepared the business report, financial statements (including parent company only and consolidated) and earnings distribution table for the year ended December 31, 2024. The financial statements have been audited by CPAs Hsin-Ting Huang and Li-Chen Lai, from KPMG, the CPA firm engaged by the Board of Directors to complete the audit. The above business report, financial statements and earnings distribution table and have been reviewed and determined to be accurate by the Independent Director. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, i hereby submit this report for your review.

To

2025 Regular Shareholders' Meeting of the Company

Tatung System Technologies Inc. (TSTI)

Independent Director: Jung-Ying Tai

Jung-Ying, Tai

March 3, 2025

Attachment 4

Tatung System Technologies Inc.
Earnings Distribution Table
2024

Unit: NTD	
Item	Amount
Undistributed retained earnings at the beginning of the period	15,606,219
Add (Less): Other comprehensive income (remeasurement of defined benefit plans – parent company and subsidiaries)	1,887,075
Add: Net profit after tax for 2024	204,368,788
Subtotal	221,862,082
Less: Provision for legal reserve (10%)	20,625,586
Less (Add): Provision (reversal) of special reserve (exchange differences on translation of financial statements of foreign operations)	49,123
Earnings available for distribution for the year	201,187,373
Distribution of earnings	
Dividends to shareholders	185,976,000
Cash dividends (\$0.8 per share)	70,848,000
Stock dividends (\$1.3 per share)	115,128,000
Undistributed retained earnings at the end of the period	15,211,373

Chairman: Chun-Lung Wu General Manager: Wen-Hung Huang Accounting Manager: Chiu-Chan Hsu

Tatung System Technologies Inc. (TSTI)
Comparison table for the “Articles of Incorporation” before and after amendments

Amended provisions	Current provisions	Description
<p>Article 18 The Company shall have seven to nine directors, with a term of three years. <u>The election of directors shall adopt a candidate nomination system</u>, and shareholders shall elect directors from the list of candidates. All directors shall be eligible for re-election. The total shareholding ratio of all directors shall comply with the regulations of the securities regulatory authority.</p> <p>Among the aforementioned number of directors, the number of independent directors shall not be less than three and shall not be less than one-third of the total number of directors. The professional qualifications, shareholdings, restrictions on concurrent positions, nomination and election methods, and other matters to be complied with by independent directors shall be in accordance with the relevant regulations of the competent securities authority.</p>	<p>Article 18 The Company shall have seven to nine directors, all of whom shall be elected for a term of three years and shall be eligible for re-election. The total shareholding of the entire bodies of the directors shall be in accordance with the regulations of the securities regulatory authority.</p> <p>Among the foregoing number of directors, the number of independent directors shall not be less than three and not less than one-fifth of the total number of directors, <u>and independent directors shall be elected by the shareholders’ meeting from the list of candidates through a candidate nomination system</u>. The professional qualifications, shareholdings, restrictions on concurrent positions, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.</p> <p><u>Except for the independent directors under the second paragraph of this Article, the other directors shall be elected by the shareholders from the list of candidates through a candidate nomination system starting from the seventh term.</u></p>	<p>1. In accordance with current regulations where all directors are elected through a candidate nomination system, the provisions regarding the candidate nomination system in the second and third paragraphs are hereby deleted and incorporated into the first paragraph.</p> <p>2. Pursuant to Article 4 of the Regulations Governing Matters to be Complied with by the Board of Directors of Over-the-Counter Listed Companies in the Exercise of its Powers, the minimum number of independent directors is revised to be no less than one-third of the total number of directors.</p>
<p>Article 31 (Item 1, omitted) The Company's current pre-tax net profit before deducting employee compensation and director remuneration shall be appropriated at a rate of 5% to 15% as employee compensation and no more than 5% as director remuneration; <u>of which, no less than 20% of the employee compensation shall be distributed to junior employees</u>. However, if the Company has accumulated losses (including adjustments to undistributed earnings), an amount shall be reserved to cover such losses first. (Item 3~5, omitted)</p>	<p>Article 31 (Item 1, omitted) The Company's current pre-tax net profit before deducting employee compensation and director remuneration shall be appropriated at a rate of 5% to 15% as employee compensation and no more than 5% as director remuneration. However, if the Company has accumulated losses (including adjustments to undistributed earnings), an amount shall be reserved to cover such losses first. (Item 3~5, omitted)</p>	<p>In accordance with Article 14 of the Securities and Exchange Act, an over-the-counter listed company shall specify in its Articles of Incorporation the appropriation of a certain percentage of annual earnings as compensation for adjusting the salaries or distributing remuneration to junior employees. The appropriation ratio for employee compensation is hereby amended.</p>
<p>Article 36 (Content not revised. Omitted) The 18th amendments were made on May 28, 2024. <u>The 19th amendments were made on June 16, 2025.</u></p>	<p>Article 36 (Content not revised. Omitted) The 18th amendments were made on May 28, 2024.</p>	<p>The amendment history was added above.</p>

Attachment 6

Tatung System Technologies Inc. (TSTI)
List of candidates for Independent Directors

Categori es of Candida tes	Names of Candidates	Eeducation Background	Experience	Current position	2025/4/18 Number of Shares Held on Book Closure Date
Indepen dent Director	June-Ru Chen	Master of Science in Fisheries and Aquaculture, Auburn University	Director-General/Deputy Director-General/Chief Secretary, Taiwan Fisheries Research Institute, Council of Agriculture, Executive Yuan Vice President, TÜV Rheinland Aimex Co., Ltd. Deputy Director, Department of Science and Technology, Council of Agriculture Chief Secretary, Secretariat, Council of Agriculture Researcher/Section Chief of Aquaculture Division/Technical Specialist, Fisheries Agency, Council of Agriculture Technical Specialist/Technician/Junior Technician, Fisheries Administration Division, Council of Agriculture Clerk, Taoyuan Motor Vehicles Supervision Station, Taiwan Provincial Highway Bureau	Advisor, Taiwan Agricultural Technology Resources Management Association Advisor, Aquaculture Development Association of the Republic of China Advisor, Taiwan Photovoltaic Industry Association	0
Indepen dent Director	Tai-Feng Huang	Bachelor of Laws, Soochow University	Director, Federal Corporation Director, Triocean Indusreial Corporation Co., Ltd. Council Member, Chinese Arbitration Association, R.O.C. Lawyer	Independent Director, Toung Loong Textile Mfg. Co., Ltd. Director, Honyi Precision Industry Co., Ltd. Director, Forward Media Ltd. Attorney-at-Law, Tai-Lee Attorneys-at- Law Mediator, Taipei District Court Arbitrator, Chinese Arbitration Association, Taiwan Construction Arbitration Association	0

Tatung System Technologies Inc. (TSTI)

**List of Directors (Including Independent Directors) and Representative Released
from the Non-Competition Restrictions**

Names of Directors (Independent Directors)	The current concurrent positions in other companies
<p>Chairman :Tatung Company Representative: Chun-Lung Wu</p>	<p>Vice Chairman of Tatung Company Chairman of Tatung Asset Development Company Chairman of Jungroup Fashion Boutique Co., Ltd. Chairman of Junbao Construction Co., Ltd. Chairman of Ma Shen Kai Ruei Co., Ltd. Chairman of Yongxin Multimedia Co., Ltd. Chairman of Chih Sheng Investment Co., Ltd. Chairman of Taipei Industry Corporation Director of Chung Chia Energy Development Co., Ltd. Director of Edora Park Co., Ltd. Director of Global Bio & Investment Co., Ltd. presentative of He Cao Foundation</p>
<p>Tatung Company Representative: Pei-Chun Lu</p>	<p>Corporate Governance Officer& General Counsel of Tatung Company Director & General Counsel of Tatung Asset Development Company Director of TISNet Technology Inc. Director of Tatung Medical & Healthcare Technologies Co., Ltd. Director of Chyun Huei Commercial Technologies Inc. Director of Tsti Technologies (Shanghai) Co.,Ltd.</p>
<p>Twinbot Fintech Consultants Limited Representative: Kuan-Chih Tseng</p>	<p>Chairman of MobiGreen Data Technology Co., Ltd. Chairman of MobiGreen Advertising Co., Ltd. Chairman of MobiSmart Travel Agency Co., Ltd. Chairman of MobiFlash Delivery Co., Ltd. Chairman of MobiRobot Co., Ltd.</p>
<p>Independent Director: June-Ru Chen</p>	<p>Advisor of Taiwan Agricultural Technology Resources Management Association Advisor of Aquaculture Development Association of the Republic of China Advisor of Taiwan Photovoltaic Industry Association</p>
<p>Independent Director: Tai-Feng Huang</p>	<p>Independent Director of Toung Loong Textile Mfg. Co., Ltd. Director of Honyi Precision Industry Co., Ltd. Director of Forward Media Ltd. Attorney-at-Law of Tai-Lee Attorneys-at-Law Mediator of Taipei District Court Arbitrator of Chinese Arbitration Association, Taiwan Construction Arbitration Association</p>

Appendix 1

The Articles of Incorporation of Tatung System Technologies Inc. (TSTI)

Amended at 2024 Annual Meeting of Shareholders

Chapter 1 General Provisions

- Article 1 The Company is organized under the provisions of the Company Act on companies limited by shares and shall be named as Tatung System Technologies Inc.
- Article 2 The Company shall engage in the following businesses:
1. CC01110 Computer and Peripheral Equipment Manufacturing
 2. F113050 Wholesale of Computers and Clerical Machinery Equipment
 3. F113070 Wholesale of Telecommunication Apparatus
 4. F118010 Wholesale of Computer Software
 5. F213030 Retail Sale of Computers and Clerical Machinery Equipment
 6. F213060 Retail Sale of Telecommunication Apparatus
 7. F601010 Intellectual Property Rights
 8. I103060 Management Consulting
 9. I301010 Information Software Services
 10. I301020 Data Processing Services
 11. I301030 Electronic Information Supply Services
 12. JE01010 Rental and Leasing
 13. IZ13010 Internet Certificates Service
 14. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
 15. E701010 Telecommunications Engineering
 16. E701020 Satellite Television KU Channels and Channel C Equipment Installation
 17. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
 18. E605010 Computer Equipment Installation
 19. E701040 Simple Telecommunications Equipment Installation
 20. F108031 Wholesale of Medical Devices
 21. F208031 Retail Sale of Medical Apparatus
 22. J601010 Arts and Literature Service
 23. JB01010 Conference and Exhibition Services
 24. IG03010 Energy Technical Services
 25. E603010 Cable Installation Engineering
 26. E603050 Automatic Control Equipment Engineering
 27. EZ05010 Instrument and Meters Installation Engineering
 28. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company has its head office in Taipei City and may establish domestic and foreign branches, if necessary, by resolution of the Board of Directors in accordance with the law.
- Article 4 The Company shall make public announcements by means of a prominent section of county or provincial daily newspapers and circulars published in the county or city where the Company is located.

Chapter 2 Shares

- Article 5 The capital of the Company shall be set at NT\$2 billion divided into 200 million shares of common stock of NT\$10 each, of which unissued shares shall be authorized to be issued by the Board of Directors in installments.
- Within the foregoing total number of shares, 3,000,000 shares are reserved for issuance of employee stock options.
- When the Company issues new shares, the employees who can subscribe the shares include those of subordinate companies who meet certain criteria.

- Article 6 The shares of the Company shall be in registered form, signed or sealed by the directors representing the Company, and issued after being certified by the competent authorities or by the issuance and registration agencies authorized by such authorities. The shares issued by the Company may be exempted from printing stocks, but the shares should be registered with the centralized securities depository institution.
- Article 7 Shareholders shall report their true names and residences to the Company, and fill in the seal card and submit it to the Company for recordation; if the seal is lost, it must be registered in writing to the Company before a new seal can be use as the replacement.
- Article 8 Registered shares of the Company shall be transferred only by the holder by way of endorsement, and the name or title of the transferee shall be indicated on the shares. Transfer of shares shall not be set up as a defense against the issuing company, unless the name or title and residence of the transferee have been recorded in the shareholders' roster.
- Article 9 If any share certificates have been lost or damaged, the shareholder shall report the reason in writing to the Company and make a public announcement in the daily newspaper of the Company's location. If there is no objection from a third party within one month from the last day of the announcement, the Company may issue new shares only after the Company has verified that the loss of the share certificates have been properly guaranteed and a letter of guarantee has been issued.
- Article 10 In the event of loss or other reasons, the Company may charge a handling fee and a stamp duty for the replacement or exchange of share certificates.
- Article 11 The transfer of shares shall be suspended within 60 days prior to a regular shareholders' meeting, within 30 days prior to an extraordinary meeting, or within five days prior to the base date on which the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3 Shareholders' Meeting

- Article 12 There are two types of shareholders' meetings: regular meetings and extraordinary meetings. The regular meetings shall be held at least once a year, within six months after the end of each fiscal year, by the board of directors with 30 days' notice to each shareholder. If necessary, the extraordinary meetings can be convened by giving 15 days' notice to each shareholder in accordance with the law.
- The shareholders' meetings of the Company may be held by video conference or other means announced by the central competent authorities.
- The conditions, procedures and other requirements for shareholders' meetings by video conference shall be in accordance with the regulations of the competent securities authorities, if any.
- Article 13 If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may issue a proxy form and appoint a proxy to attend the meeting in accordance with Article 177 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies.
- Article 14 If the shareholders' meeting is convened by the board of directors, the chairperson of the board of directors shall be the meeting chair. In the absence of the chairperson of the board of directors, the chairperson of the board of directors shall designate a director to act as proxy, or if no such designation is made, the directors shall elect a person to act as proxy. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 15 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- Article 16 Unless otherwise provided for in the Company Act, a resolution of a shareholders' meeting shall be adopted with a consent of the shareholders representing a majority of the voting rights at the meeting attended by shareholders holding a majority of the total issued shares.
- Article 17 Resolutions of shareholders' meetings shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act. The minutes shall record the year, month, day, venue, name of the chair and method of resolution of the meeting, and shall also record the main points of the proceedings and the results thereof, and shall be retained permanently during the continuance of the Company. The signature book of the shareholders attending the meeting and the proxy forms for proxy attendance shall be kept for one year.

Chapter 4 Board of Directors and Audit Committee

- Article 18 The Company shall have seven to nine directors, all of whom shall be elected for a term of three years and shall be eligible for re-election. The total shareholding of the entire bodies of the directors shall be in accordance with the regulations of the securities regulatory authority.
- Among the foregoing number of directors, the number of independent directors shall not be less than three and not less than one-fifth of the total number of directors, and independent directors shall be elected by the shareholders' meeting from the list of candidates through a candidate nomination system. The professional qualifications, shareholdings, restrictions on concurrent positions, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.
- Except for the independent directors under the second paragraph of this Article, the other directors shall be elected by the shareholders from the list of candidates through a candidate nomination system starting from the seventh term.
- Article 19 If the vacancies of directors reach one-third, an extraordinary shareholders' meeting shall be held within 60 days to re-elect new directors, whose term of office shall be limited to the period of time of the original term to be filled.
- Article 20 If directors' term of office expires before re-election, their duties shall be extended until the re-elected directors assumes office.
- Article 21 The directors shall organize the board of directors and elect a chairperson from among themselves with the consent of a majority of at least two-thirds of the directors to execute all affairs of the Company in accordance with the law, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the board of directors.
- Article 22 The Company's management policy and other important matters shall be resolved by the Board of Directors. Except for the first meeting of the Board of Directors in each term, which is convened in accordance with Article 203 of the Company Act, the other meetings shall be convened by the chairperson of the Board of Directors, who shall be the meeting chair. If the chairperson of the board of directors is unable to perform his or her duties, the chairperson of the board of directors shall designate a director to act on his or her behalf, or if no such designation is made, the directors shall elect one among themselves to act on the behalf of the chairperson.
- Article 23 Unless otherwise provided in the Company Act, a majority of the directors shall be present at a meeting of the Board of Directors and the consent of a majority of the directors present shall be required. If any director is unable to attend a meeting for any reason, he/she may appoint another director to act as his/her proxy to attend the meeting of the Board of Directors by issuing a proxy form listing the scope of authorization for the convening of the meeting, provided that a proxy can only be appointed by one person.
- Article 23-1 The convening of a meeting of the Board of Directors of the Company shall be notified to the directors seven days in advance, which may be done in writing, by e-mail or by facsimile. The Company may convene a meeting of the Board of Directors at any time in the event of an emergency.
- Article 24 The minutes of the Board of Directors' meetings shall be prepared, signed or sealed by the chairperson, and distributed to the directors within 20 days after the meeting, and the minutes shall record the main points of the proceedings and the results thereof. The minutes shall be kept at the Company together with the signature book of the directors attending the meeting and the proxy form for proxy attendance.
- Article 25 The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, and the audit committee shall consist of all independent directors. The authority, rules of procedure for their meetings and other matters to be followed by the Audit Committee shall be in accordance with the provisions of the Company Act, the Securities and Exchange Act and other relevant laws and regulations and the Company's Articles of Incorporation.
- Article 25-1 The number of members of the Remuneration Committee, their term of office, authorities, the rules of procedure for their meetings, and the resources to be provided by the Company in exercising the powers and functions of the Remuneration Committee shall be in accordance with the provisions of the Remuneration Committee's Charter.
- Article 25-2 The company has established a Sustainable Development Committee. Matters such as the number of members, term of office, authority, rules of procedure, and resources to be provided by the company when exercising its powers shall be governed by the regulations of the Sustainable Development Committee.

- Article 26 The compensation and travel expenses of directors are authorized to be determined by the Board of Directors, regardless of the operating profit or loss, based on the value of the directors' contributions to the Company's operations with the domestic and foreign industry standards taken into account.
- Article 26-1 The Company may purchase liability insurance for the directors during their term of office in respect of their liability under the law for the execution of their business.

Chapter 5 Managerial officers and employees

- Article 27 The Company shall have a number of managerial officers, whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.
- Article 28 The Company may employ consultants and key employees by resolution of the Board of Directors in accordance with Article 23 of the Articles of Incorporation.
- Article 29 Other employees of the Company shall be appointed and dismissed by the CEO and shall be reported to the Board of Directors for approval.

Chapter 6 Accounting

- Article 30 At the end of each business year, the Board of Directors shall prepare and submit to the Audit Committee for adoption at the annual regular shareholders' meeting 30 days prior to the annual regular shareholders' meeting the following reports: (1) business report. (2) financial statements (3) earnings distribution or losses make-up proposal

- Article 31 The total amount of the earnings to be distributed shall not be less than 50% of the distributable earnings in the current year. The ration of the cash dividend to stock dividend shall be determined in consideration of the earnings in the current year, the arrangement of the funds, and the rights of the shareholders. The amount of the cash dividend shall not be less than 10% of the total dividends. Where the cash dividend per share is less than \$0.1, it will not be distributed and shall be replaced with the stock dividend.

The Company's current pre-tax net profit before deducting employee compensation and director remuneration shall be appropriated at a rate of 5% to 15% as employee compensation and no more than 5% as director remuneration. However, if the Company has accumulated losses (including adjustments to undistributed earnings), an amount shall be reserved to cover such losses first.

The net profit after tax of the Company in the current period, if any, in the final account at the end of any fiscal year shall be used to make up the losses (including adjustment of undistributed earnings) of the previous years. The Company shall then set aside 10% of the said earnings as a legal reserve, unless such legal reserve amounts to the paid-in capital of the Company. The Company shall provide or reverse a special reserve pursuant to laws or the regulations of the competent authority. The Company shall, prior to the distribution of earnings, set aside the same amount of special reserve from prior period's undistributed earnings if the special reserve is not sufficient to cover the net increase in fair value of investment properties accumulated in prior periods and the net decrease in other equity accumulated in prior periods. If the amount is not sufficient, the amount of special reserve shall be provided from the current period's net profit after tax plus items other than after-tax net profit for the period as the current period's undistributed earnings. If there are any residual earnings, they shall be, together with the undistributed earnings at the beginning of the period (including adjustment of undistributed earnings), used as accumulated dividends for shareholders. The Board of Directors shall draft an earnings distribution proposal and submit it to the shareholders' meeting for approval.

Whether profit-sharing remuneration for employees should be distributed in stock or cash shall be resolved with a consent of a majority of the directors present at a meeting attended by more than two thirds of the total directors and reported to the shareholder's meeting by the Board.

The profit-sharing remuneration for employees in the form of stock or cash includes employees of subordinate companies who meet certain criteria.

Chapter 7 Supplementary Provisions

- Article 32 The Company may invest more than 40% of the paid-in capital in other enterprises and authorize the Board of Directors to execute the investments.
- Article 33 The Company may provide guarantees for other companies.
- Article 34 The company's organizational regulations and working rules shall be separately formulated by the

Board of Directors.

Article 35 Matters not provided for in these Articles of Incorporation shall be governed by the Company Act and related laws and regulations.

Article 36 These Articles of Incorporation were established on April 26, 2000. The 1st amendments were made on May 30, 2001. The 2nd amendments were made on May 31, 2002. The 3rd amendments were made on June 18, 2004. The 4th amendments were made on May 25, 2005. The 5th amendments were made on June 16, 2006. The 6th amendments were made on June 21, 2007. The 7th amendments were made on June 22, 2009. The 8th amendments were made on June 29, 2010. The 9th amendments were made on June 27, 2011. The 10th amendments were made on June 19, 2012. The 11th amendments were made on June 24, 2013. The 12th amendments were made on June 24, 2014. The 13th amendments were made on June 12, 2015. The 14th amendments were made on June 24, 2016. The 15th amendments were made on August 19, 2021. The 16th amendments were made on June 15, 2022. The 17th amendments were made on June 15, 2023. The 18th amendments were made on May 28, 2024.

Tatung System Technologies Inc. (TSTI) **Rules and Procedures of Shareholders' Meeting**

Amended at the 2004, 2012, 2013, 2015, 2020, 2021, 2022, and 2023 meeting of shareholders.

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's meeting of shareholders, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The rules of procedures for the shareholders meetings, except of Tatung System Technologies Inc., unless otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, the Company's meeting of shareholders shall be convened by the board of directors.

Except for otherwise stated in the Regulations Governing the Administration of Shareholder Services of Public Companies, when the Company convenes a shareholder meeting by way of a video conference, it shall be stated in the Articles of Incorporation and resolved by the Board; a shareholder meeting by way of a video conference is subject to the resolution receiving the consent of more than half of the attending Directors at a Board meeting attended by more than two-thirds of the Directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the extraordinary shareholders' meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

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

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

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

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the

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

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

A proposal submitted by shareholders must not exceed 300 Chinese characters. Any proposal containing more than 300 Chinese characters will not be included in the agenda. A shareholder who has submitted a proposal must attend the regular shareholders' meeting in person or by proxy and participate in the discussion of his or her proposal.

The Company shall notify the shareholder submitting the proposal of the status of his or her proposal before the date when the notice of the shareholders' meeting is sent, and include the proposals that have met the requirements in this article in the meeting notice. The Board shall provide reasons for not including a shareholder's proposal in the agenda at the shareholders' meeting.

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

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

If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.

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

Article 5 A shareholders' meeting shall be held in the county or city where the head office is located or in a place convenient for the shareholders to attend and suitable for the shareholders' meeting. The meeting shall commence no earlier than 9:00 a.m. or later than 3:00 p.m., and the place and time of the meeting shall be determined with due regard to the opinions of the independent directors.

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

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

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

The Company shall furnish the attending shareholders with a signature book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

may designate only one person to represent it in the meeting.

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

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

Article 6-1

To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other *force majeure* events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. Apart from circumstances stated in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide connection equipment and necessary assistance to shareholders and stipulate the period for shareholders to apply with the Company and other relevant matters of notice.

Article 7

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

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

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

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

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

Article 8

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

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

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

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

Attendance at meeting of shareholders shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the signature book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

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

Article 10

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal on the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

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

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

Article 11

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

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

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

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

stop any violation.

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

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

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

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

Article 12

Voting at a shareholders' meeting shall be calculated based the number of shares.

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

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

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

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

Article 13

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.

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

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

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair,

provided that all monitoring personnel shall be shareholders of the Company.

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

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

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

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

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

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the Procedure for Election of Directors and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

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

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

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

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other *force majeure* events, and how issues are dealt with shall also be included in the minutes.

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

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

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

votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under or Taipei Exchange regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

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

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

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

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

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

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

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

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

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

Article 21 In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve technical communication issues.

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

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

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

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total

number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

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

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

Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Apart from circumstances stated in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide connection equipment and necessary assistance to shareholders and stipulate the period for shareholders to apply with the Company and other relevant matters of notice.

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

Tatung System Technologies Inc. (TSTI)

Director Election Regulations

Amended at 2021 Regular Shareholders' Meeting

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".
- Article 2 Except as otherwise specified by the Company Act, the Company's Articles of Incorporation, and other applicable laws and regulations, elections of directors shall be conducted in accordance with these Regulations.
- Article 3 The overall composition of the board of directors shall be taken into account for election of directors in accordance with Article 20 of the "TSTI System Technologies Inc. Corporate Governance Best-Practice." Consideration shall be given to the diversity of the composition of the board of directors, and an appropriate diversity policy shall be formulated with respect to its operation, operational model and development needs. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.
- Article 4 The qualifications and election of the independent directors of the Company shall comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 24 of the "TSTI System Technologies Inc. Corporate Governance Best-Practice."
- Article 5 Election of directors of the Company shall be conducted in accordance with the candidate nomination system and procedure provided for in Article 192-1 of the Company Act.
- If the number of directors is less than five after termination of the appointment, the Company shall perform a by-election at the most recent shareholders' meeting. However, if the vacancy in the board of directors reaches one-third of the number specified in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting for a by-election within 60 days from the date of occurrence of the fact.
- When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- Article 6 The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The Company's directors are elected in accordance with the number and method specified in the Articles of Incorporation. The voting rights of independent directors and non-independent directors are calculated separately. The candidates receiving ballots representing the highest number of voting rights will be elected in sequence according to their respective numbers of votes. If two or more candidates receive the ballots representing the same number of voting right and thus the number of the elected directors exceeds the specified limit, the winners concerned shall draw lots to determine the result. In case of absence, the chair shall draw the lots instead.
- Article 9 Before the election begins, the chair shall appoint a number of vote monitoring and counting persons. The vote monitoring persons shall have the status of shareholders. Both vote monitoring and counting persons perform their respective duties. The ballot box shall be prepared by the board of directors and checked by the vote monitoring persons openly before the voting commences.
- Article 10 A ballot is invalid in any of the following circumstances:

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

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 12 The Company shall notify the elected directors separately.

Article 13 These Regulations, and any amendments hereto, shall take effect upon the approval at the shareholders' meeting.

Appendix 4

Tatung System Technologies Inc.

Shareholdings of All Directors

Title	Name	Record Date: 2025/4/18	
		Number of shares	Shareholding percentage (%)
Chairman /Director	Tatung Company	38,386,499	43.34
Chairman	Tatung Company Corporate Representative: Chun-Lung Wu	-	-
Director	Tatung Company Corporate Representative: Kuan-Ling Lai	-	-
Director	Tatung Company Corporate Representative: Yuan-Chung Hsin	-	-
Director	Tatung Company Corporate Representative: Pei-Chun Lu	-	-
Director	Twinbot Fintech Consultants Limited	5,889,000	6.64
	Twinbot Fintech Consultants Limited Corporate Representative: Kuan-Chih Tseng	-	-
Corporate Director	Tai Sheng Ocean Development Co., Ltd.	15,000	0.01
	Shih-Hung Yang	-	-
Independent Director	Jung-Ying Tai	-	-
The number of shares held by the entire bodies of directors		44,290,499	49.99

In accordance with Article 26, Paragraph 2 of the "Securities and Exchange Act" and the "Regulations Governing Shareholding Ratios of Directors, Supervisors, and Major Shareholders of Public Companies and Implementation of Audits," the details are as follows:

Number of issued shares of the Company's common stock	88,560,000 shares
The shareholding percentage legally required to be held by the entire bodies of directors	10%
The number of shares legally required to be held by the entire bodies of directors	8,856,000 shares
The number of shares held by the entire bodies of directors (excluding independent directors)	44,290,499 shares

In accordance with Article 26 of the Securities and Exchange Act, the Company has established an audit committee, so the shareholding legally required for supervisors is not applicable.



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TCSA台灣企業永續獎-永續報告獎白金級肯定

TCSA Taiwan Corporate Sustainability Awards - Platinum Sustainability Report

多家金融電信業-績優永續供應商肯定

Excellent Sustainable Supplier

智慧城市-創新應用獎肯定

SCSE Innovative Application Award

資通訊科技應用獎-ESG永續獎肯定

ESG Award - ASOCIO 2022 ICT Award

Outstanding ICT Company Award / ASOCIO

經濟部中堅企業遴選-潛力中堅企業肯定

Potential Taiwan Mittelstand Award / Economic Affairs, R.O.C

數位轉型楷模企業肯定

Digital Transformation Model Enterprise

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