

Stock No.: 3611



TSC Auto ID Technology Co., Ltd.

**2024 Annual General Shareholder's Meeting Minutes
(Translation)**

(This translated document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

TSC Auto ID Technology Co., Ltd.

2024 Annual General Shareholder's Meeting Minutes

Meeting type: Physical Meeting

Time: 09:00 a.m., June 18, 2024

Location: No. 35, Sec. 2, Ligong 1st Road, Chengxing Village, Wujie Township, Yilan County (Yilan Factory)

Attendants:

Shareholders: Shareholders and proxy representatives present at the meeting represent a total of 29,029,097 shares (including 28,435,166 shares voted electronically), accounting for 61.56% of the company's total issued shares of 47,150,134 shares.

Directors: Wang Shiu Ting, Wang Hsing Lei, Luo Yue Gui (Representative of Taiwan Semiconductor Manufacturing Co., Ltd.), Chen Ming Yi

Independent Director: Ma Chia Ying (Convener of Audit Committee), Li Chun Chi (Convener of Compensation Committee), Lin Tuo Zhi

Deloitte & Touche: CPA Chang Li Chun

Lee and Li, Attorneys-at-Law: David Tien

Head of Finance and Corporate Governance Officer: Huang Zhen Fang

Chairman: Wang Hsing Lei

Recorder: Lee Hui Ju

Agenda:

- 1. Call Meeting to Order: The number of shares present has reached the quorum; therefore, the meeting is called to order.**
- 2. Chairperson's Address: (Omitted)**
- 3. Report Items:**
 - (1) 2023 Business Report : Please refer to Appendix 1.
 - (2) 2023 Audit Committee's Review Report : Please refer to Appendix 2.

(3) 2023 Employees' remuneration and Directors' remuneration

Description: According to Article 25 of the Company's Articles of Incorporation, in 2023, 5% of the net profit amounting to NT\$61,967,674 was appropriated as Employee remuneration and 2.5% of the net profit amounting to NT\$30,983,837 as the Directors' remuneration, all of which are to be paid in cash.

(4) Amendment to the 「Procedures for Board of Directors Meetings」

Description: To accommodate the amendments to the 「Regulations Governing Procedure for Board of Directors Meetings of Public Companies」 issued by the Financial Supervisory Commission, the Company's 「Procedure for Board of Directors Meetings」 was partially amended. Please refer to Appendix 3 for the Comparison Table of the Amendment to the Articles of Incorporation.

2. Matters for Ratification Proposals

Proposal 1

Proposed by the Board of Directors

Proposal: Acknowledgment of the 2023 Business Report and Financial Statements

Description: 1. The 2023 Business Report has been prepared by the Board of Directors. Please refer to Appendix 1.

2. The Standalone Financial Statements and the Consolidated Financial Statements for 2023 have been approved by the Board of Directors and audited by CPA Chang Li Chun and Fan You Wei of Deloitte & Touche. Please refer to the Appendix 4 of CPA's Audit Report and The Standalone Financial Statements and the Consolidated Financial Statements.

3. Please review and ratify.

Resolution: The voting results of this proposal is as follows:

Shares present at the time of voting: 29,029,097

Voting result	% of the total represented share present
Votes in favor: 28,873,255 (including 28,382,888 votes casted in electronic form)	99.46
Votes against: 18,092 (including 18,092 votes casted in electronic form)	0.06
Votes invalid: 0	0.00
Votes abstained/no votes: 137,750 (including 34,186 votes casted in electronic form)	0.47

[This proposal was adopted after voting.]

Summary of the comment by Shareholder Account No. 7096:

Question: What are the company's future goals in ESG efforts? Does the company have an updated plan for the lack of disclosure in this regard? Is there a carbon reduction target for 2023?

The Company's reply:

The company has a short-term plan for ESG spanning three to four years, which is currently underway. This plan covers the three major aspects of ESG, with specific goals expected to be achieved by 2027, including meeting the FSC's requirements for listed companies regarding ESG. The mid- and long-term plans involve environmentally friendly product designs and implementations, which are currently in progress. Energy saving and carbon reduction are also planned and will be executed within the three-year plan. The company's website is being updated to gradually disclose near-term ESG information and plans.

Summary of the comment by Shareholder Account No. 15827:

Question 1:

As of the end of May, the company's announced cumulative revenue growth rate for this year is 0.69%. However, the annual report predicted a 7.14% increase in printer sales compared to last year. At that time, the company estimated the sales volume for 2023 to be 800,000 units, but it

now appears to be only 700,000 units. How confident is the company in this year's forecast? Are the current orders sufficient to meet this sales target, or is the sales forecast expected to be revised downward?

The Company's reply:

Sales forecasts are inherently difficult to predict. The company team has made efforts to forecast in advance. The challenges in forecasting include:

- (1) A wide product line with strategic items that need to be promoted.
- (2) International instability makes it difficult to manage customer relations. The most important factor is whether the company team can promptly and dynamically adjust its operational direction to achieve the desired sales and strategic goals.

Question 2:

It has been a year since the acquisition of MGN. What adjustments has the company made to MGN during this period, and how much does it differ from the initial acquisition targets? What future plans are still pending? What is the expected contribution to the company's revenue and profit?

The Company's reply:

Before acquiring MGN, the company had an aggressive sales growth plan for MGN. This plan requires a long investment cycle, gradually increasing investment in MGN to achieve our growth goals. It is not possible to see results in just one or two years. We are still in the investment cycle, so it will take some time to see more significant results.

Question 3:

According to the First-quarter Financial Report of this year, the company bought 1,160,000 shares of Taiwan Semiconductor Company Limited(「Taiwan Semi」) stock. Taiwan Semi's First-quarter profit has declined significantly compared to the same period last year. However, in terms of P/B ratio, P/E ratio, gross margin, operating margin, net margin, and ROE, the company's performance is superior to TSC's. Why does the company not buy back its own stock while it is undervalued but instead uses funds to support TSC's stock price? Does the company believe that its own investment value is still lower than TSC's?

The Company's reply:

The semiconductor industry is still a very good industry in the long term, especially with the significant increase in usage for electric vehicles, autonomous driving, AI servers, and power. We remain optimistic about the long-term industry, which is why we made this investment.

Question 4:

The company has always favored long-term investment in stable companies. However, within a year, two of the three life insurance companies that were among the company's top ten shareholders have sold their shares and are no longer among the top ten. The company must have inquired about the reasons for their sales. Please explain this in detail.

The Company's reply:

We have basic contact with major investors, but it is not appropriate to respond to the holding status of individual shareholders.

Question 5:

DLS showed a quarterly decline in profits last year. The investment profit recognized in the first quarter of this year was only NT\$16,318,000, which is only 36% of last year's NT\$44,480,000 for the same period. Please explain the reasons and the measures to improve the situation.

The Company's reply:

DLS benefited from the economic cycle driven by inflation in 2021 and 2022, with continuous profit growth. However, since last year, DLS has been in an inventory adjustment phase, and the entire industry is experiencing a profit decline. Currently, we are adjusting the cost structure and sales prices to offset the sales pressure during the deflation process. We have seen initial results and expect to return to a better state later this year, approaching the financial situation before the pandemic.

Question 6:

It is generally believed that India is more like a collection of several countries due to significant regional differences. Even large international companies may not be able to smoothly expand their business across India. The company established a subsidiary in India in 2021, but with an investment of only USD 100,000, it seems insufficient to achieve the goal of expanding business and building a brand image in India. Has the company considered establishing a joint venture with large local electronics distributors, where local partners assist in business expansion while the company provides hardware and technical support?

The Company's reply:

The company has been operating in India for over ten years, not just since establishing a subsidiary in 2021. India is currently a significant sales region for us, with TSC being a leading brand in the thermal printer market in India. The purpose of establishing a subsidiary in 2021 was for management needs and to comply with local product registration regulations. The company continues to operate in this region.

Proposal 2

(Proposed by the Board of Directors)

Proposal: Acknowledgment of the 2023 Earnings Distribution

Description: 1. The Company's undistributed earnings at the beginning of 2023 are NT\$1,845,440,514, the 2023 net income is NT\$926,873,558, and the distributable earnings are NT\$2,678,004,202. The proposed shareholder cash dividend for distribution according to the Articles of Incorporation was NT\$612,854,242 (estimated distribution of NT\$13 per share) and for the proposed earnings distribution table. Please refer to Appendix 5.

2. It is proposed that the Board of Directors be authorized with full power and authority to adjust distribution percentage if the number of outstanding shares is affected by the change in the number of shares outstanding prior to the dividend record date.

3. It is proposed that upon the approval of the Annual General

Shareholders' Meeting, the Board of Directors be authorized to determine the ex-dividend date and other related matters.

4. The cash dividend distribution will be calculated to the nearest NT dollar. Fractional dividend less than NT\$1 shall be combined into other income of the Company.
5. Please review and ratify.

Resolution: The voting results of this proposal is as follows:

Shares present at the time of voting: 29,029,097

Voting result	% of the total represented share present
Votes in favor: 28,888,762 (including 28,398,395 votes casted in electronic form)	99.51
Votes against: 18,181 (including 18,181 votes casted in electronic form)	0.06
Votes invalid: 0	0.00
Votes abstained/no votes: 122,154 (including 18,590 votes casted in electronic form)	0.42

[This proposal was adopted after voting.]

3. Discussion Items

Proposal 1

(Proposed by the Board of Directors)

Proposal: Amendment to the 「Procedures for Election of Directors」

- Description:
1. The Company's 「Procedures for Election of Directors」 will be amended in line with the amendments to the reference 「Sample Template for XXX Co., Ltd. Procedures for Election of Directors」 published by the Financial Supervisory Commission.
 2. Please refer to Appendix 6 for the Comparison Table of the Amendment to the Articles of Incorporation.
 3. Please discuss and resolve.

Resolution:

Resolution: The voting results of this proposal is as follows:

Shares present at the time of voting: 29,029,097

Voting result	% of the total represented share present
Votes in favor: 28,887,211 (including 28,396,844 votes casted in electronic form)	99.51
Votes against: 18,632 (including 18,632 votes casted in electronic form)	0.06
Votes invalid: 0	0.00
Votes abstained/no votes: 123,254 (including 19,690 votes casted in electronic form)	0.42

[This proposal was adopted after voting.]

4. Extemporary Motions: (None)

5. Adjournment (Chair announced adjournment)

(The minutes of this Annual General Shareholder's Meeting only include the main points of the meeting proposals and the results of the proposals; the detailed proceedings, procedures, and shareholder statements are based on the audio and video recordings of the meeting.)

III. Appendix

Appendix 1

TSC Auto ID Technology Co., Ltd.

2023 Business Report

In 2023, the supply chain problems were gradually alleviated, but the weakening of the end market demand affected enterprises' willingness to invest. Under the influence of the conservative global economy in the second half of the year and the adjustment of industrial inventories, Taiwan's export orders for 2023 decreased by 15.9% year-on-year. Nevertheless, our team continues to invest in new product, application, and channels development based on our many years of experience, and we strive to enhance our global brand position and market share for our products. In 2023, the Company's operations are expected to maintain steady performance. Please refer to the following report of the Company's 2023 business results, a summary of the 2024 business plan, and descriptions of the Company's development strategy, external competitive environment, regulatory environment, and the macroeconomic environment:

I. 2023 business report: (based on the data shown in consolidated financial statements)

(I) Results of the 2023 business plan:

Unit: NT\$ thousand

Project name	2023	2022	Increase (decrease) %
Net operating revenues	8,351,762	7,966,918	5%
Gross profits	2,807,221	2,647,459	6%
Operating profits	1,196,599	1,257,801	-5%
Profits before tax	1,256,785	1,347,394	-7%
Net income for the period	926,873	964,909	-4%
Total comprehensive income for the period	1,199,470	1,106,415	8%
Basic EPS (NT\$)	19.76	(Note) 20.65	-4%

Note: For consistent comparison basis, basic earnings per share for 2022 have been adjusted retrospectively.

(II) Budget Execution: The Company did not produce a financial forecast for 2023, and hence is not required to disclose the budget execution.

(III) Revenues, expenses, and profitability analysis:

Unit: NT\$ thousand

Item		Year		
		2023	2022	
Profit and loss	Operating profits	1,196,599	1,257,801	
	Net non-operating income (expense)	60,186	89,593	
	Profits before tax	1,256,785	1,347,394	
	Net income	926,873	964,909	
	Total comprehensive income for the period	1,199,470	1,106,415	
Profitability	Return on assets (%)	11	12	
	Return on shareholders' equity (%)	18	20	
	As a percentage of paid-in capital (%)	Operating profit	254	296
		Pre-tax profit	267	317
	Net profit margin (%)	11	12	
Earnings per share (NT\$)	19.76	(Note) 20.65		

Note: For consistent comparison basis, basic earnings per share for 2022 have been adjusted retrospectively.

(IV) Research and development:

As the application of automatic identification increases in the global market, the Company invested a total of NT\$240,833 thousand in R&D in 2023, accounting for 3% of the annual operating revenue. We continue to develop value-added software tools (TSC Console or SOTI Connect) for printer management through online or internal networks to help customers manage equipment and expand service scope. In addition, the R&D of next-generation products and the development of new applications focuses on the application of linerless eco-friendly labels, which can reduce the consumption of raw materials by 15%, and reduce the carbon emission and waste volume by 50%. The Company is also investing in capital expenditure on label paper equipment to enhance its market competitiveness and continue to increase its revenue and profit.

II. Summary of the 2024 business plan

(I) Operational guidelines

In response to the importance attached by global enterprises to the sustainable development of ESG and the expanded requirements for the entire supply chain, the Company has been actively introducing new products made of recyclable

materials to expand its business scope. In addition, the Company continues to develop complete hardware and software solutions for customers, and expand marketing channels to cover the entirety of its product lines from low-, medium-, to high-end. In addition, the Company aims to grow its proprietary brand in various parts of the world and introduce services to the auto-ID system and provide customers with a more complete application service network to create diversified value for our customers.

(II) Sales forecast and key production/sales policies

The revenue of the Company is mainly from the sales of Auto-ID printers, services and consumables for labels. The estimated sales volume for 2024 is as follows:

Product category	Projected sales volume in 2024	Unit: thousand pieces
		Actual sales volume in 2023
Automatic Identification Printing Machine	750	700

The Company’s production and sales policies, based on the aforementioned forecast, will be focusing on the key points below:

1. Ensuring the availability and quality of supplies from suppliers, and maintaining an adequate inventory level and turnover rate.
2. Continue to expand our business scale worldwide and strengthen the core competitiveness in our business fundamentals.
3. Provide a comprehensive and quality service to build sustainable management capacity.

III. Future development strategies

We continue to insist on the customer-first policy and continue to integrate brand, product, marketing, and customer service to provide customers with all-in-one service and experiences in order to strengthen our market image and enhance our competitive advantage. We are aware of the changes in the applications from different industries and customers around the world, and work closely with our upstream and downstream partners. With a new business mindset, we seek new customers, new solutions, innovative service models, and new product development to create win-win opportunities and grow.

IV. Impacts of the external competitive environment, regulatory environment, and the overall business environment

(I) Impacts of the external competitive environment

As auto-ID applications become more popular and relevant to life, the market's demand for auto-ID printing has increased, and demands for products to meet ESG requirements are getting high. In response to the external competition that comes with increased demand, the Company will continue focusing on the development of new technologies while at the same time integrating resources, coordinating, and forming collaborative relationships with different partners in the market to overcome external challenges. In doing so, we aim to achieve consistent growth in terms of revenues and profit.

(II) Impacts of the regulatory environment and macroeconomic environment

There has been no change in key domestic or foreign policies or laws that significantly affected the Company's operations in the last year, and the Company remains compliant with all changes in the regulatory environment.

In the future, the Company expects to further expand its product integration to take advantage of the growing demand as well as application of auto-ID. Driven by innovation, professionalism, and utmost respect for the business, we look forward to improving business performance and profitability to the mutual benefit of our shareholders, customers, and employees.

Chairman:
Wang Hsing Lei

General Manager:
Chen Ming-Yi

Chief Accounting Officer:
Lin Shu-Juan

TSC Auto ID Technology Co., Ltd.

Audit Committee's Review Report

We have reviewed the Company's 2023 Business report, Standalone Financial Statements, Consolidated Financial Statements, and Earnings Appropriation proposal prepared by the Board of Directors. The Standalone and Consolidated Financial Statements have been audited by CPAs Chang Li Chun and Fan You Wei of Deloitte & Touche, to which they issued an independent auditor's report. The Audit Committee found no misstatement in the above Business report, Standalone Financial Statements, Consolidated Financial Statements, or Earnings Appropriation proposal. We hereby issue this report in accordance with the relevant regulations of the Securities and Exchange Act and the Company Act.

For

2024 Annual General meeting of TSC Auto ID Technology Co., Ltd.

Audit Committee convener: Ma Chia Ying

March 15, 2024

TSC Auto ID Technology Co., Ltd.

Comparison Table of Amendments to

「 Procedure for Board of Directors Meetings 」

Articles	After Revision	Existing Provision	Explanation
3	<p>(Notice for the Convening of the Board of Directors Meeting)</p> <p>The Board Meeting of the Company shall be convened at least once every quarter.</p> <p>The meeting of the Board of Directors shall be convened with a seven-days' notice to the Directors, specifying the reason for convening, but in case of emergency, it may be convened at any time. The notice of the meeting may be made by electronic mail or facsimile transmission.</p> <p>Directors shall be deemed to have received the notices if they attend the meeting in person.</p> <p>The matters referred to in the first paragraph of Article 12 shall be listed in the reasons for convening the meeting and shall not be proposed as an extemporary motion.</p>	<p>(Notice for the Convening of the Board of Directors Meeting)</p> <p>The Board Meeting of the Company shall be convened at least once every quarter.</p> <p>The meeting of the Board of Directors shall be convened with a seven-days' notice to the Directors <u>and Supervisors</u>, specifying the reason for convening, but in case of emergency, it may be convened at any time. The notice of the meeting may be made by electronic mail or facsimile transmission.</p> <p>Directors shall be deemed to have received the notices if they attend the meeting in person.</p> <p>Matters specified in Article 12, Paragraph 1 shall be listed in the reason for convening the meeting and shall not be proposed as extemporary motion <u>unless there is an emergency or justified reason</u>.</p>	<p>1. Since 2022, an audit committee has been established to replace supervisors among TWSE/TPEX listed companies.</p> <p>2. Amended in accordance with the 「 Regulations Governing Procedure for Board of Directors Meetings of Public Companies 」 . Specify that the matters in Article 12, paragraph 1 shall be listed in the reasons for convening the meeting and shall not be proposed as an extraordinary motion.</p>

Articles	After Revision	Existing Provision	Explanation
8	<p>(Reference materials of the Board of Directors, attendees and the convening of the Board of Directors)</p> <p>When a board meeting of the Company is convened, the meeting unit shall prepare relevant information for the reference of directors at any time.</p> <p>When the Company convenes a board meeting, the personnel from the relevant departments or subsidiaries may be notified for non-voting attendance depending on the content of the proposal. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting.</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>At the appointed meeting time, if half of all directors actually in office are absent, the chairperson may announce a postponement of the meeting <u>on that day</u>. The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 3, Paragraph 2.</p>	<p>(Reference materials of the Board of Directors, attendees and the convening of the Board of Directors)</p> <p>When a board meeting of the Company is convened, the meeting unit shall prepare relevant information for the reference of directors at any time.</p> <p>When the Company convenes a board meeting, the personnel from the relevant departments or subsidiaries may be notified for non-voting attendance depending on the content of the proposal. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting.</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>At the appointed meeting time, if half of all directors actually in office are absent, the chairperson may announce a postponement of the meeting. The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 3, Paragraph 2.</p>	<p>Amended in accordance with the 「Regulations Governing Procedure for Board of Directors Meetings of Public Companies」. To avoid disputes caused by the failure to determine the meeting time of the Board meeting, if the number of people in attendance is not sufficient, the Chairman may announce the postponement of the meeting to the same day.</p>

Articles	After Revision	Existing Provision	Explanation
11	<p>(Proposal Discussion)</p> <p>The board meeting of the company shall proceed in accordance with the agenda scheduled in the notice of the meeting. However, it may be changed with the consent of more than half of the attending directors.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of paragraph 4 of Article 8 shall apply.</p> <p><u>Paragraph 3 of Article 7 shall apply to the appointment of proxies of the chairperson who is unable to preside over the meeting or adjourned without complying with the provisions of paragraph 2 when board meetings are in progress.</u></p>	<p>(Proposal Discussion)</p> <p>The board meeting of the company shall proceed in accordance with the agenda scheduled in the notice of the meeting. However, it may be changed with the consent of more than half of the attending directors.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of paragraph 4 of Article 8 shall apply.</p>	<p>Amended in accordance with the 「Regulations Governing Procedure for Board of Directors Meetings of Public Companies」. To avoid affecting the operation of the Board of Directors, the Company has added Paragraph 4 to specify the method of electing proxies.</p>
12	<p>(Items to be discussed by the Board of Directors)</p> <p>The following matters shall be submitted to the board of directors for discussion:</p> <p>I. The Company's business plan.</p> <p>II. Annual and semi-annual financial statements. Except for the semi-annual financial statements that are</p>	<p>(Items to be discussed by the Board of Directors)</p> <p>The following matters shall be submitted to the board of directors for discussion:</p> <p>I. The Company's business plan.</p> <p>II. Annual and semi-annual financial statements. Except for the semi-annual financial statements that are</p>	<p>Subparagraph 6 is added in line with the amendment to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to specify that the election or dismissal of the chairman shall be submitted to the</p>

Articles	After Revision	Existing Provision	Explanation
	<p>not subject to audit by a CPA as required by law.</p> <p>III. Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and evaluation of the effectiveness of the internal control system.</p> <p>IV. Establishment or amendment of the Procedures for the Acquisition or Disposal of Assets, Engagement in Derivative Transactions, Loaning of Funds to Others, Endorsement or Guarantee for Others, and Procedures for Significant Financial Business Acts in accordance with Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issuance or private placement of equity-type securities.</p> <p>VI. If the board of directors does not have a managing director, the election or discharge of the chairman.</p> <p>VII. Appointment and dismissal of financial, accounting or internal auditing officers.</p> <p>VIII. Donations to related parties or significant donations to non-related parties. However, the public welfare donations for emergency relief due to major natural disasters may be submitted to the next board meeting for ratification.</p>	<p>not subject to audit by a CPA as required by law.</p> <p>III. Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and evaluation of the effectiveness of the internal control system.</p> <p>IV. Establishment or amendment of the Procedures for the Acquisition or Disposal of Assets, Engagement in Derivative Transactions, Loaning of Funds to Others, Endorsement or Guarantee for Others, and Procedures for Significant Financial Business Acts in accordance with Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issuance or private placement of equity-type securities.</p> <p>VI. Appointment and dismissal of financial, accounting or internal auditing officers.</p> <p>VII. Donations to related parties or significant donations to non-related parties. However, the public welfare donations for emergency relief due to major natural disasters may be submitted to the next board meeting for ratification.</p>	<p>board of directors for discussion; the original subparagraphs 6 to 8 are moved to subparagraphs 7 to 9.</p>

Articles	After Revision	Existing Provision	Explanation
	<p data-bbox="312 271 716 741">IX. Matters that should be resolved by the shareholders' meeting or the board of directors in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the articles of association, or major matters as required by the competent authorities.</p> <p data-bbox="312 786 716 1435">The related parties referred to in Subparagraph 8 of the preceding paragraph mean the related parties regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers; the material donations to non-related parties as used herein mean the amount of each donation or the cumulative donation to the same subject. More than NT\$100 million, or 1% of the net operating revenue or 5% of the paid-in capital in the most recent financial report certified by a CPA.</p> <p data-bbox="312 1458 504 1491">Omitted below</p>	<p data-bbox="732 271 1136 707">VIII. Matters that should be resolved by the shareholders' meeting or the board of directors in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the articles of association, or major matters as required by the competent authorities.</p> <p data-bbox="732 786 1136 1435">The related parties referred to in Subparagraph 7 of the preceding paragraph mean the related parties regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers; the material donations to non-related parties as used herein mean the amount of each donation or the cumulative donation to the same subject. More than NT\$100 million, or 1% of the net operating revenue or 5% of the paid-in capital in the most recent financial report certified by a CPA.</p> <p data-bbox="732 1458 924 1491">Omitted below</p>	

Articles	After Revision	Existing Provision	Explanation
20	<p>These Rules of Procedure were established on June 13, 2007.</p> <p>The first amendment was made on March 4, 2008.</p> <p>The second amendment was made on June 20, 2008.</p> <p>The third amendment was made on March 25, 2010.</p> <p>The fourth amendment was made on December 21, 2012.</p> <p>The fifth amendment was made on March 21, 2016.</p> <p>The sixth amendment was made on November 10, 2017.</p> <p>The seventh amendment was made on August 11, 2020.</p> <p><u>The eighth amendment was made on March 15, 2024.</u></p>	<p>These Rules of Procedure were established on June 13, 2007.</p> <p>The first amendment was made on March 4, 2008.</p> <p>The second amendment was made on June 20, 2008.</p> <p>The third amendment was made on March 25, 2010.</p> <p>The fourth amendment was made on December 21, 2012.</p> <p>The fifth amendment was made on March 21, 2016.</p> <p>The sixth amendment was made on November 10, 2017.</p> <p>The seventh amendment was made on August 11, 2020.</p>	Date of amendment added

Independent Audit’s Report and Standalone & Consolidated Financial Statements Auditor’s Audit Report

To the Board of Directors and Shareholders of TSC Auto ID Technology Co., Ltd.:

Audit opinions

We have audited the standalone balance sheet as of December 31, 2023 and December 31, 2022; the standalone incomes statement from January 1 to December 31, 2023 and from January 1 to December 31, 2022; the standalone statements of changes in equity and the standalone statements of cash flows from January 1 to December 31, 2023 and from January 1 to December 31, 2022 of TSC Auto ID Technology Co., Ltd. and the notes to standalone financial statements (including the summary of major accounting policies).

Based on our audit and other auditors’ audit (please refer to “Other Matters”), all material disclosures in the standalone financial statements mentioned above were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and provide fair representation of TSC Auto ID Technology Co., Ltd.’s standalone financial status as of December 31, 2023 and 2022, standalone financial performance from January 1 to December 31, 2023 and 2022, and standalone cash flows from January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing principles. Our responsibilities as auditor for the standalone financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed the Norm of Professional Ethics for CPA and maintained independence from TSC Auto ID Technology Co., Ltd. when performing their duties. We believe that the evidence obtained from our audit and the audit results of other auditors provide an adequate and appropriate basis for our opinion.

Key Audit Issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2023 standalone financial statements of TSC Auto ID Technology Co., Ltd.. These issues have already been addressed when we audited and formed our

opinions on the standalone financial statements. Therefore, we do not provide opinions separately for individual issues.

Key audit issues concerning the 2023 standalone financial statements of TSC Auto ID Technology Co., Ltd. are as follows:

Impairment assessment for equity-accounted investments (including goodwill)

TSC Auto ID Technology Co., Ltd. acquired controlling interest in Printronix Auto ID Technology Inc. on January 23, 2016, and later acquired the main business activities and operating assets from Diversified Labeling Solutions, Inc. in January 2019. The acquisition includes the printer business Printronix brand and labeling business DLS brand. Equity-accounted investments (including goodwill) were recognized in standalone financial statements for the respective years, and the amounts are considered material to the standalone financial statements. Impairment assessment for goodwill is explained below:

Assessment of impairment for equity-accounted investments (including goodwill) depends largely on the estimation of the recoverable amount using future operating cash flow from the printer business Printronix brand and labeling business DLS brand (the cash-generating units). Since estimation of future operating cash flow involves the management's forecast on the performance of the industry and the Company, the assumptions used for the estimation and preparation (mainly including sales growth and operating profit margin) are prone to subjective judgment and high levels of uncertainty.

We have taken actions during our audit to address the above uncertainties, including: obtaining a goodwill impairment assessment report issued by a professional appraiser that the management had commissioned; understanding and assessing the rationality of the recoverable amount calculated from the valuation model; and evaluating the overall rationality of the aforementioned goodwill impairment assessment report after taking into consideration the assumptions used in the valuation model, such as sales growth, profit margin, and weighted average funding cost (including the risk-free rate, volatility, and risk premium), the state of the Company's operations, the state of the industry, and future outlook.

Other Matters

As narrated in Note 11 of the standalone financial statement, amongst some of the equity-accounted subsidiaries of reinvestments presented in the 2023 and 2022 standalone financial statements of TSC Auto ID Technology Co., Ltd., some had financial statements audited by other CPAs. Therefore, opinions made in the aforementioned standalone financial statements in regards to the book value of equity-accounted subsidiaries and the share of gains/losses were based on the figures recognized in audit reports prepared by other CPAs. As of December 31, 2023 and 2022,

the abovementioned equity-accounted investees represented 23.70% and 16.13% respectively of the Company's standalone total assets; share of profit from the abovementioned investees in 2023 and 2022 accounted for 11.37% and 15.58% respectively of the Company's standalone pre-tax profit.

Responsibilities of the management and governing body of the standalone financial statements

Responsibilities of the management were to prepare and ensure fair presentation of the standalone financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and to exercise proper internal control practices that are relevant to the preparation of the standalone financial statements so that the standalone financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing the standalone financial statements also included assessing the ability of TSC Auto ID Technology Company to operate, disclose information and account for transactions as a going concern unless the management intends to liquidate TSC Auto ID Technology Company or cease business operations or is compelled to do so with no alternative solution.

The governing body of TSC Auto ID Technology Co., Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing standalone financial statements

The purposes of our audit were to obtain reasonable assurance of whether the standalone financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We consider assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the standalone financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of users of the standalone financial statement.

When conducting audits in accordance with the auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as auditor:

1. Identifying and assessing risks of material misstatement within the standalone financial statements, whether due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Because fraud may involve conspiracy, forgery, intentional omission,

untruthful declaration, or breach of internal control, the risk of not detecting material misstatements arising from fraud is greater than that of misstatements arising from error.

2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinions on the effectiveness of the internal control system of TSC Auto ID Technology Co., Ltd..
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of TSC Auto ID Technology Co., Ltd. to operate as a going concern, based on the audit evidence obtained. We are obliged to remind users of the standalone financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or changes of circumstances may still render TSC Auto ID Technology Co., Ltd. no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the standalone financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the standalone financial statements.
6. Obtaining sufficient and appropriate audit evidence on the financial information of individual entities within TSC Auto ID Technology Co., Ltd. and expressing opinions on the standalone financial statements. Our responsibilities as auditor are to instruct, supervise and execute audits and form audit opinions on TSC Auto ID Technology Co., Ltd.

We have communicated with the governing body about the scope, timing, and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with the Norm of Professional Ethics for CPA, and communicated with the governing body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governing body regarding the 2023 standalone financial statements of TSC Auto ID Technology Co., Ltd.. These issues have been addressed in our audit report except for topics that are prohibited by law from being disclosed to the public, or, under extreme circumstances, topics that we decided not to

communicate in the audit report because of greater negative impacts they may cause than the benefits they bring to public interest.

Deloitte Taiwan
CPA Chang Li Chun

CPA Fan You Wei

Official Letter of Approval by Financial
Supervisory Commission
Financial-Supervisory-Securities-
Corporate-1100356048

Official Letter of Approval by Securities and
Futures Commission
Taiwan-Finance-Securities-VI-0920123784

March 15, 2024

TSC Auto ID Technology Co., Ltd.
Standalone Balance Sheet
December 31, 2023 and December 31, 2022

Unit: NT\$ thousand

Code	Asset	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note 6)	\$ 578,606	7	\$ 833,645	11
1110	Financial assets at fair value through profit or loss (Notes 7 and 27)	4,543	-	1,798	-
1170	Notes and accounts receivable, net (Note 9)	304,305	4	283,996	4
1180	Accounts receivable – affiliated parties (Note 28)	1,034,474	13	1,082,149	14
1200	Other receivables	8,836	-	11,472	-
1210	Other receivables – affiliated parties (Note 28)	16,700	-	227,995	3
130X	Inventory (Note 10)	470,919	6	561,043	8
1470	Other current assets	3,285	-	3,777	-
11XX	Total current assets	<u>2,421,668</u>	<u>30</u>	<u>3,005,875</u>	<u>40</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income (Notes 8 and 27)	1,354,200	17	1,098,160	14
1550	Equity-accounted investments (Notes 11, 24, and 28)	3,664,413	45	2,880,022	38
1600	Property, plant and equipment (Note 12)	447,753	6	464,074	6
1755	Right-of-use assets (Note 13)	26,750	-	1,417	-
1780	Intangible assets (Note 14)	25,022	-	35,452	1
1840	Deferred income tax assets (Note 21)	129,890	2	95,524	1
1990	Other non-current assets	21,459	-	14,927	-
15XX	Total non-current assets	<u>5,669,487</u>	<u>70</u>	<u>4,589,576</u>	<u>60</u>
1XXX	Total assets	<u>\$ 8,091,155</u>	<u>100</u>	<u>\$ 7,595,451</u>	<u>100</u>
Liabilities and equity					
Current liabilities					
2100	Short-term loans (Note 15)	\$ 671,189	8	\$ 876,515	11
2120	Financial liabilities at fair value through profit or loss (Notes 7 and 27)	-	-	1,984	-
2170	Accounts payable	333,356	4	465,124	6
2180	Accounts payable – affiliated parties (Note 28)	164,742	2	158,262	2
2200	Other payables (Note 16)	234,022	3	222,810	3
2220	Other accounts payable – affiliated parties (Note 28)	20,822	-	17,858	-
2230	Income tax liability during the period (Note 21)	92,916	1	120,113	2
2280	Lease liability (Note 13)	11,712	-	1,528	-
2320	Long-term liabilities due within one year (Note 15)	-	-	63,000	1
2399	Other current liabilities (Note 19)	30,325	1	43,764	1
21XX	Total current liabilities	<u>1,559,084</u>	<u>19</u>	<u>1,970,958</u>	<u>26</u>
Non-current liabilities					
2540	Long-term loans (Note 15)	600,000	8	557,000	7
2570	Deferred income tax liabilities (Note 21)	336,156	4	265,370	4
2580	Lease liability (Note 13)	15,281	-	-	-
2640	Net defined benefit liability (Note 17)	16,842	-	14,954	-
2670	Other non-current liabilities (Note 11)	102,521	1	36,444	-
25XX	Total non-current liabilities	<u>1,070,800</u>	<u>13</u>	<u>873,768</u>	<u>11</u>
2XXX	Total liabilities	<u>2,629,884</u>	<u>32</u>	<u>2,844,726</u>	<u>37</u>
Equity (Note 18)					
Share capital					
3110	Ordinary share capital	471,071	6	425,129	6
3140	Advanced receipt of share capital	335	-	60	-
3100	Total share capital	<u>471,406</u>	<u>6</u>	<u>425,189</u>	<u>6</u>
3200	Capital surplus	676,011	8	615,845	8
Retained earnings					
3310	Legal reserve	770,477	10	673,504	9
3320	Special reserve	8,597	-	8,597	-
3350	Unappropriated earnings	2,770,511	34	2,537,721	33
3300	Total retained earnings	<u>3,549,585</u>	<u>44</u>	<u>3,219,822</u>	<u>42</u>
3400	Other equity	764,269	10	489,869	7
3XXX	Total equity	<u>5,461,271</u>	<u>68</u>	<u>4,750,725</u>	<u>63</u>
Total liabilities and equity		<u>\$ 8,091,155</u>	<u>100</u>	<u>\$ 7,595,451</u>	<u>100</u>

The notes are an integral part of these standalone financial statements.
(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Lin Shu Juan

TSC Auto ID Technology Co., Ltd.
Standalone Comprehensive Income Statement
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands except
NT\$ for earnings per share

Code		2023		2022	
		Amount	%	Amount	%
	Operating incomes (Notes 19, 28)				
4110	Revenues	\$ 3,784,488	100	\$ 3,865,879	100
	Operating costs (Notes 10, 20, 28)				
5110	Cost of goods sold	<u>2,301,432</u>	<u>61</u>	<u>2,447,256</u>	<u>63</u>
5900	Gross profits	1,483,056	39	1,418,623	37
5910	Unrealized gain on transactions with subsidiaries	(<u>123,660</u>)	(<u>3</u>)	(<u>90,169</u>)	(<u>3</u>)
5950	Realized gross profit	<u>1,359,396</u>	<u>36</u>	<u>1,328,454</u>	<u>34</u>
	Operating expenses (Notes 9, 20, 28)				
6100	Sales & marketing expenses	103,101	3	81,304	2
6200	Administrative expenses	244,986	6	219,216	6
6300	R&D expenses	<u>245,372</u>	<u>6</u>	<u>233,829</u>	<u>6</u>
6000	Total operating expenses	<u>593,459</u>	<u>15</u>	<u>534,349</u>	<u>14</u>
6900	Operating profits	<u>765,937</u>	<u>21</u>	<u>794,105</u>	<u>20</u>
	Non-operating incomes and expenses				
7100	Interest income (Notes 20, 28)	10,262	-	10,994	-
7190	Other incomes (Notes 20, 28)	68,588	2	44,021	1
7020	Other gains and losses (Note 20)	28,345	1	51,944	1
7050	Financial cost (Note 20)	(<u>46,816</u>)	(<u>1</u>)	(<u>19,545</u>)	-
7070	Share of profit from equity- accounted subsidiaries (Note 11)	<u>320,085</u>	<u>8</u>	<u>329,454</u>	<u>9</u>
7000	Total non-operating incomes and expenses	<u>380,464</u>	<u>10</u>	<u>416,868</u>	<u>11</u>

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Code		2023		2022	
		Amount	%	Amount	%
7900	Profits before tax	\$ 1,146,401	31	\$ 1,210,973	31
7950	Income tax expenses (Note 21)	<u>219,528</u>	<u>6</u>	<u>246,064</u>	<u>6</u>
8200	Current net income	<u>926,873</u>	<u>25</u>	<u>964,909</u>	<u>25</u>
	Other comprehensive income				
	Items that are not to be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plan (Note 17)	(1,803)	-	4,819	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive incomes (Note 18)	<u>256,040</u>	<u>7</u>	(<u>55,335</u>)	(<u>1</u>)
8310		<u>254,237</u>	<u>7</u>	(<u>50,516</u>)	(<u>1</u>)
	Items that may be subsequently reclassified to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations (Note 18)	22,950	-	240,028	6
8399	Income tax components that may be reclassified (Note 21)	(<u>4,590</u>)	<u>-</u>	(<u>48,006</u>)	(<u>1</u>)
8360		<u>18,360</u>	<u>-</u>	<u>192,022</u>	<u>5</u>
8300	Other comprehensive income for the year (net of tax)	<u>272,597</u>	<u>7</u>	<u>141,506</u>	<u>4</u>
8500	Total comprehensive income for the year	<u>\$ 1,199,470</u>	<u>32</u>	<u>\$ 1,106,415</u>	<u>29</u>
	Earnings per share (Note 22)				
9710	Basic	<u>\$ 19.76</u>		<u>\$ 20.65</u>	
9810	Diluted	<u>\$ 19.50</u>		<u>\$ 20.41</u>	

The notes are an integral part of these standalone financial statements.

(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman: Wang Hsing Lei Chief Executive Officer: Chen Ming-Yi Chief Accounting Officer: Lin Shu Juan

TSC Auto ID Technology Co., Ltd.
Standalone Statement of Changes in equity
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands, except as
otherwise indicated

Code		Share capital				Retained earnings					Exchange differences on translation of financial statements of foreign operations	Other equity		Total	Total equity	
		No. of shares (thousand shares)	Ordinary share capital	Advanced receipt of share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total		Unrealized gain of financial assets measured at fair value through other comprehensive incomes	Financial assets measured at fair value through profit or loss			Unrealized valuation gain
A1	Balance on January 1, 2022	42,477	\$ 424,769	\$ -	\$ 424,769	\$ 592,852	\$ 595,108	\$ 8,597	\$ 2,113,635	\$ 2,717,340	(\$ 294,269)	\$ 647,451	\$ 353,182	\$ 4,088,143		
G1	Exercise of employee stock options	36	360	60	420	6,296	-	-	-	-	-	-	-	6,716		
	Appropriation and distribution of 2021 earnings															
B5	Cash dividend to shareholders	-	-	-	-	-	-	(467,246)	(467,246)	-	-	-	-	(467,246)		
B1	Legal reserve	-	-	-	-	-	78,396	(78,396)	-	-	-	-	-	-		
D1	2022 net income	-	-	-	-	-	-	-	964,909	964,909	-	-	-	964,909		
D3	2022 other comprehensive income - after tax	-	-	-	-	-	-	-	4,819	4,819	192,022	(55,335)	136,687	141,506		
D5	Total comprehensive income of 2022	-	-	-	-	-	-	-	969,728	969,728	192,022	(55,335)	136,687	1,106,415		
M3	Income taxes related to subsidiaries under organizational restructuring (Notes 21, 25)	-	-	-	-	1,984	-	-	-	-	-	-	-	1,984		
N1	Share-based compensation – employee stock options (Note 23)	-	-	-	-	14,713	-	-	-	-	-	-	-	14,713		
Z1	Balance on December 31, 2022	42,513	425,129	60	425,189	615,845	673,504	8,597	2,537,721	3,219,822	(102,247)	592,116	489,869	4,750,725		
G1	Exercise of employee stock options	342	3,420	275	3,695	49,486	-	-	-	-	-	-	-	53,181		
	Appropriation and distribution of 2022 earnings															
B1	Legal reserve	-	-	-	-	-	96,973	(96,973)	-	-	-	-	-	-		
B5	Cash dividend to shareholders	-	-	-	-	-	-	(552,785)	(552,785)	-	-	-	-	(552,785)		
B9	Stock dividend to shareholders	4,252	42,522	-	42,522	-	-	(42,522)	(42,522)	-	-	-	-	-		
D1	2023 net income	-	-	-	-	-	-	-	926,873	926,873	-	-	-	926,873		
D3	2023 other comprehensive income - after tax	-	-	-	-	-	-	-	(1,803)	(1,803)	18,360	256,040	274,400	272,597		
D5	Total comprehensive income of 2023	-	-	-	-	-	-	-	925,070	925,070	18,360	256,040	274,400	1,199,470		
N1	Share-based compensation – employee stock options (Note 23)	-	-	-	-	10,680	-	-	-	-	-	-	-	10,680		
Z1	Balance on December 31, 2023	47,107	\$ 471,071	\$ 335	\$ 471,406	\$ 676,011	\$ 770,477	\$ 8,597	\$ 2,770,511	\$ 3,549,585	(\$ 83,887)	\$ 848,156	\$ 764,269	\$ 5,461,271		

The notes are an integral part of these standalone financial statements.
(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Lin Shu Juan

TSC Auto ID Technology Co., Ltd.
Standalone Statement of Cash Flows
From January 1 to December 31, 2023 and 2022

Code		2023	Unit: NT\$ thousand 2022
	Cash flows from operating activities		
A10000	Pre-tax profit for the current period	\$ 1,146,401	\$ 1,210,973
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation	38,961	33,905
A20200	Amortization	32,628	26,516
A20300	Gain on reversal of expected credit losses	(2,199)	-
A20900	Financial cost	46,816	19,545
A21200	Interest income	(10,262)	(10,994)
A21300	Dividend income	(59,200)	(37,000)
A21900	Cost of employee stock options	10,680	14,713
A22400	Share of profit from equity-accounted subsidiaries	(320,085)	(329,454)
A23700	Loss for market price decline and obsolete inventory	10,400	19,500
A23900	Unrealized gain on transactions with subsidiaries	123,660	90,169
A24100	Unrealized foreign exchange (gains) losses	2,968	(44,802)
A29900	Gain on lease amendment	(3)	(621)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	(2,745)	1,263
A31150	Notes and accounts receivable	(27,359)	87,397
A31160	Accounts receivable – affiliated parties	35,552	(306,696)
A31180	Other receivables	2,831	3,768
A31190	Other receivables – affiliated parties	1,458	(48,788)
A31200	Inventory	79,724	(133,401)
A31240	Other current assets	(2,296)	(2,250)
A32110	Financial liabilities held for trading	(1,984)	1,541
A32150	Accounts payable	(130,440)	53,396
A32160	Accounts payable – affiliated parties	10,700	(122,166)
A32180	Other payables	8,054	29,855
A32190	Other payables – affiliated parties	3,462	285
A32230	Other current liabilities	(13,439)	(28,494)
A32240	Net defined benefit liability	85	42
A32990	Other non-current liabilities	(3,792)	(2,152)
A33000	Cash inflows from operating activities	980,576	526,050

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Code		2023	2022
A33100	Interest received	\$ 10,067	\$ 11,132
A33500	Income tax paid	(214,895)	(261,678)
AAAA	Net cash flows from operating activities	<u>775,748</u>	<u>275,504</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive incomes	-	(84,535)
B01800	Established and increased capital for equity-accounted subsidiaries	(499,417)	-
B02300	Net cash inflow for disposal of subsidiaries	-	48,219
B02400	Return of share capital due to capital reduction of subsidiaries	4,270	-
B02700	Purchase of property, plant and equipment	(8,465)	(16,940)
B03700	Increase in refundable deposits	(2,323)	(442)
B03800	Decrease in refundable deposits	191	758
B04300	Related party of lending of capital	(8,360)	(311,248)
B04400	Repayment for lending of capital to related party	223,808	448,588
B04500	Purchase of intangible assets	(19,410)	(13,909)
B07100	Increase in equipment prepayments	(8,800)	(14,631)
B07600	Dividends received	<u>59,200</u>	<u>37,000</u>
BBBB	Net cash inflow (outflow) from investment activities	(<u>259,306</u>)	<u>92,860</u>
	Cash flows from financing activities		
C00100	Increase (decrease) in net short-term loans	(192,618)	320,151
C01600	Borrowing of long-term loans	300,000	280,000
C01700	Repayment of long-term loans	(320,000)	(560,000)
C04020	Repayment of lease principals	(8,494)	(4,015)
C04500	Cash dividends paid	(552,785)	(467,246)
C04800	Exercise of employee stock options	53,181	6,716
C05600	Interest paid	(<u>44,411</u>)	(<u>17,923</u>)
CCCC	Net cash outflows from financing activities	(<u>765,127</u>)	(<u>442,317</u>)
DDDD	Currency impact on cash and cash equivalents	(<u>6,354</u>)	<u>23,749</u>
EEEE	Net decrease in cash and cash equivalents	(255,039)	(50,204)
E00100	Cash and cash equivalents at the beginning of the year	<u>833,645</u>	<u>883,849</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 578,606</u>	<u>\$ 833,645</u>

The notes are an integral part of these standalone financial statements.

(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman:	Chief Executive Officer:	Chief Accounting Officer:
Wang Hsing Lei	Chen Ming-Yi	Lin Shu Juan

Declaration Concerning the Consolidated Financial Statements of Affiliated Enterprises

Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Financial Reporting Standards No. 10 (IFRS 10) for financial year 2023 (from January 1 to December 31, 2023). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements; therefore, no separate consolidated financial statements of affiliated enterprises were prepared.

This declaration is solemnly made by

Name of the company: TSC Auto ID Technology Co., Ltd.

Chairman: Wang Hsing Lei

March 15, 2024

Auditor’s Audit Report

To the Board of Directors and Shareholders of TSC Auto ID Technology Co., Ltd.:

Audit opinions

We have audited the consolidated balance sheet as of December 31, 2023 and December 31, 2022; the consolidated incomes statement from January 1 to December 31, 2023 and from January 1 to December 31, 2022; the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to December 31, 2023 and from January 1 to December 31, 2022 of TSC Auto ID Technology Co., Ltd. and its subsidiaries (“TSC Auto ID Technology Group”) and the notes to consolidated financial statements (including the summary of major accounting policies).

Based on our audit and other auditors’ audit (please refer to “Other Matters”), all material disclosures in the consolidated financial statements mentioned above were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards and interpretations thereof approved and promulgated by the Financial Supervisory Commission and provide fair representation of TSC Auto ID Technology Group’s consolidated financial status as of December 31, 2023 and 2022, consolidated financial performance from January 1 to December 31, 2023 and 2022 and consolidated cash flows from January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing principles. Our responsibilities as auditor for the consolidated financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed the Norm of Professional Ethics for CPA and maintained independence from TSC Auto ID Technology Group when performing their duties. We believe that the evidence obtained from our audit and the audit results of other auditors provide an adequate and appropriate basis for our opinion.

Key Audit Issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2023 consolidated financial statements of TSC Auto ID Technology Group. These issues have already been addressed when we audited and formed our opinions on the consolidated financial statements. Therefore, we do not provide opinions separately for individual issues.

Key audit issues concerning the 2023 consolidated financial statements of TSC Auto ID Technology Group are as follows:

Impairment assessment for goodwill

TSC Auto ID Technology Group acquired controlling interest in Printronix Auto ID Technology Inc. on January 23, 2016, and later acquired the main business activities and operating assets from Diversified Labeling Solutions, Inc. in January 2019. The acquisition includes the printer business Printronix brand and labeling business DLS brand. Goodwill was recognized in the consolidated financial statements for the respective years, and the amounts are considered material to the consolidated financial statements. Assessment of goodwill impairment depends largely on the estimation of the recoverable amount using future operating cash flow from the printer business Printronix brand and labeling business DLS brand (the cash-generating units). Since the estimation of future operating cash flow involves the management's forecast of the performance of the industry and the Company, the assumptions used for the estimation and preparation are prone to subjective judgment and high levels of uncertainty.

We have taken actions during our audit to address the above uncertainties, including: obtaining a goodwill impairment assessment report issued by a professional appraiser that the management had commissioned; understanding and assessing the rationality of the recoverable amount calculated from the valuation model; and evaluating the overall rationality of the aforementioned goodwill impairment assessment report after taking into consideration the assumptions used in the valuation model, such as sales growth, profit margin, and weighted average funding cost (including the risk-free rate, volatility, and risk premium), the state of the Company's operations, the state of the industry, and future outlook.

Other Matters

As narrated in Note 11 of the consolidated financial statements, amongst the subsidiaries presented in the 2023 and 2022 consolidated financial statements of TSC Auto ID Technology Group were financial statements of subsidiaries that were audited by other CPAs. Therefore, opinions made in the aforementioned consolidated financial statements in regards to the amounts and footnote disclosures of such businesses were based on the figures recognized and disclosed in

audited reports prepared by other CPAs. The total assets of the subsidiaries accounted for 22.47% and 20.99% of the total consolidated assets as of December 31, 2023 and 2022 respectively; The operating revenues of the subsidiaries accounted for 39.51% and 37.43% of the consolidated operating revenues in 2023 and 2022 respectively, and their total comprehensive income accounted for 11.15% and 17.64% of the total consolidated comprehensive income respectively.

TSC Auto ID Technology Co., Ltd. has prepared standalone financial statements for 2023 and 2022, to which we have issued an independent auditor's report with unqualified opinion and made additional disclosures in the Other Matters paragraph.

Responsibilities of the management and governing body of the consolidated financial statements

Responsibilities of the management were to prepare and ensure fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards and interpretations thereof approved and promulgated by the Financial Supervisory Commission, and to exercise proper internal control practices that are relevant to the preparation of the consolidated financial statements so that the consolidated financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing the consolidated financial statements also included assessing the ability of TSC Auto ID Technology Group to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate TSC Auto ID Technology Group or cease business operations, or is compelled to do so with no alternative solution.

The governing body of TSC Auto ID Technology Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing consolidated financial statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We consider assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of users of the consolidated financial statements.

When conducting audits in accordance with the auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as auditor:

1. Identifying and assessing risks of material misstatement within the consolidated financial statements, whether due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Because fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, the risk of not detecting material misstatements arising from fraud is greater than that of misstatements arising from error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinions on the effectiveness of the internal control system of TSC Auto ID Technology Group.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of TSC Auto ID Technology Group to operate as a going concern, based on the audit evidence obtained. We are obliged to remind users of the consolidated financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or changes of circumstances may still render TSC Auto ID Technology Group no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the consolidated financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the consolidated financial statements.
6. Obtaining sufficient and appropriate audit evidence on the financial information of individual entities within the group, and expressing opinions on the consolidated financial statements. Our responsibilities as auditor are to instruct, supervise and execute audits and form audit opinions on the group.

We have communicated with the governing body about the scope, timing, and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with the Norm of Professional Ethics for CPA, and communicated with the governing body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governing body regarding the 2023 consolidated financial statements of TSC Auto ID Technology Group. These issues have been addressed in our audit report except for topics that are prohibited by law from being disclosed to the public, or, under extreme circumstances, topics that we decided not to communicate in the audit report because of greater negative impacts they may cause than the benefits they bring to public interest.

Deloitte Taiwan
CPA Chang Li Chun

CPA Fan You Wei

Official Letter of Approval by Financial
Supervisory Commission
Financial-Supervisory-Securities-
Corporate-1100356048

Official Letter of Approval by Securities and
Futures Commission
Taiwan-Finance-Securities-VI-0920123784

March 15, 2024

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and December 31, 2022

Unit: NT\$ thousand

Code	Asset	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note 6)	\$ 1,065,550	12	\$ 1,142,046	14
1110	Financial assets at fair value through profit or loss (Notes 7 and 29)	4,543	-	1,798	-
1170	Notes and accounts receivable, net (Notes 9, 30)	1,306,350	15	1,350,343	16
1200	Other receivables (Note 30)	31,221	-	51,116	1
1220	Income tax assets during the period	12,599	-	6,365	-
130X	Inventory (Note 10)	1,493,841	17	1,624,449	19
1410	Prepayments	50,454	-	69,070	1
1470	Other current assets	879	-	1,470	-
11XX	Total current assets	<u>3,965,437</u>	<u>44</u>	<u>4,246,657</u>	<u>51</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income (Notes 8 and 29)	1,354,200	15	1,098,160	13
1600	Property, plant and equipment (Note 12 and 31)	1,291,776	15	1,053,525	13
1755	Right-of-use assets (Note 13)	148,301	2	180,889	2
1780	Other intangible assets (Note 15)	475,545	5	200,919	2
1805	Goodwill (Note 14)	1,191,077	13	1,058,071	13
1840	Deferred income tax assets (Note 23)	433,697	5	387,569	5
1990	Other non-current assets	97,310	1	68,979	1
15XX	Total non-current assets	<u>4,991,906</u>	<u>56</u>	<u>4,048,112</u>	<u>49</u>
1XXX	Total assets	<u>\$ 8,957,343</u>	<u>100</u>	<u>\$ 8,294,769</u>	<u>100</u>
Liabilities and equity					
Current liabilities					
2100	Short-term loans (Note 17)	\$ 671,395	8	\$ 876,515	11
2120	Financial liabilities at fair value through profit or loss (Notes 7 and 29)	-	-	1,984	-
2170	Accounts payable (Note 30)	691,237	8	698,489	8
2200	Other payables (Notes 18, 30)	570,129	6	430,321	5
2230	Income tax liability during the period	94,966	1	120,953	1
2280	Lease liability (Note 13)	87,535	1	92,735	1
2320	Long-term liabilities due within one year (Note 17)	8,875	-	63,000	1
2399	Other current liabilities	125,731	1	137,501	2
21XX	Total current liabilities	<u>2,249,868</u>	<u>25</u>	<u>2,421,498</u>	<u>29</u>
Non-current liabilities					
2540	Long-term loans (Note 17)	611,154	7	557,000	7
2570	Deferred income tax liabilities (Note 23)	522,592	6	383,490	5
2580	Lease liability (Note 13)	49,622	1	95,534	1
2640	Net defined benefit liability (Note 19)	16,842	-	14,954	-
2670	Other non-current liabilities	45,994	-	71,568	1
25XX	Total non-current liabilities	<u>1,246,204</u>	<u>14</u>	<u>1,122,546</u>	<u>14</u>
2XXX	Total liabilities	<u>3,496,072</u>	<u>39</u>	<u>3,544,044</u>	<u>43</u>
Equity (Note 20)					
Share capital					
3110	Ordinary share capital	471,071	5	425,129	5
3140	Advanced receipt of share capital	335	-	60	-
3100	Total share capital	<u>471,406</u>	<u>5</u>	<u>425,189</u>	<u>5</u>
3200	Capital surplus	<u>676,011</u>	<u>8</u>	<u>615,845</u>	<u>7</u>
Retained earnings					
3310	Legal reserve	770,477	9	673,504	8
3320	Special reserve	8,597	-	8,597	-
3350	Unappropriated earnings	2,770,511	31	2,537,721	31
3300	Total retained earnings	<u>3,549,585</u>	<u>40</u>	<u>3,219,822</u>	<u>39</u>
3400	Other equity	<u>764,269</u>	<u>8</u>	<u>489,869</u>	<u>6</u>
3XXX	Total equity	<u>5,461,271</u>	<u>61</u>	<u>4,750,725</u>	<u>57</u>
Total liabilities and equity		<u>\$ 8,957,343</u>	<u>100</u>	<u>\$ 8,294,769</u>	<u>100</u>

The notes are an integral part of these consolidated financial statements.
(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Lin Shu Juan

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Consolidated Comprehensive Income Statement
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands except
NT\$ for earnings per share

Code		2023		2022	
		Amount	%	Amount	%
	Operating incomes (Notes 21, 30, 34)				
4110	Revenues	\$ 8,351,762	100	\$ 7,966,918	100
	Operating costs (Notes 10, 21, 30)				
5110	Cost of goods sold	<u>5,544,541</u>	<u>67</u>	<u>5,319,459</u>	<u>67</u>
5900	Gross profits	<u>2,807,221</u>	<u>33</u>	<u>2,647,459</u>	<u>33</u>
	Operating expenses (Notes 9, 21, 30)				
6100	Sales & marketing expenses	819,694	10	702,486	9
6200	Administrative expenses	550,095	6	457,349	5
6300	R&D expenses	<u>240,833</u>	<u>3</u>	<u>229,823</u>	<u>3</u>
6000	Total operating expenses	<u>1,610,622</u>	<u>19</u>	<u>1,389,658</u>	<u>17</u>
6900	Operating profits	<u>1,196,599</u>	<u>14</u>	<u>1,257,801</u>	<u>16</u>
	Non-operating incomes and expenses (Note 21)				
7100	Interest income	9,944	-	4,082	-
7190	Other incomes	84,253	1	67,109	1
7020	Other gains and losses	25,163	1	46,918	-
7050	Financial cost	(<u>59,174</u>)	(<u>1</u>)	(<u>28,516</u>)	-
7000	Total non-operating incomes and expenses	<u>60,186</u>	<u>1</u>	<u>89,593</u>	<u>1</u>
7900	Profits before tax	1,256,785	15	1,347,394	17
7950	Income tax expenses (Note 23)	<u>329,912</u>	<u>4</u>	<u>382,485</u>	<u>5</u>
8200	Current net income	<u>926,873</u>	<u>11</u>	<u>964,909</u>	<u>12</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that are not to be reclassified to profit or loss				
8311	Remeasurement of defined benefit plan (Note 19)	(\$ 1,803)	-	\$ 4,819	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive incomes (Note 20)	<u>256,040</u>	<u>3</u>	<u>(55,335)</u>	<u>(1)</u>
		<u>254,237</u>	<u>3</u>	<u>(50,516)</u>	<u>(1)</u>
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations (Note 20)	22,950	-	240,028	3
8399	Income tax components that may be reclassified (Note 23)	<u>(4,590)</u>	<u>-</u>	<u>(48,006)</u>	<u>-</u>
		<u>18,360</u>	<u>-</u>	<u>192,022</u>	<u>3</u>
8300	Other comprehensive income for the year (net of tax)	<u>272,597</u>	<u>3</u>	<u>141,506</u>	<u>2</u>
8500	Total comprehensive income for the year	<u>\$ 1,199,470</u>	<u>14</u>	<u>\$ 1,106,415</u>	<u>14</u>

8610	Net income attributable to: Shareholders of the Company	<u>\$ 926,873</u>	<u>11</u>	<u>\$ 964,909</u>	<u>12</u>
8710	Total comprehensive income attributable to: Shareholders of the Company	<u>\$ 1,199,470</u>	<u>14</u>	<u>\$ 1,106,415</u>	<u>14</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 19.76</u>		<u>\$ 20.65</u>	
9810	Diluted	<u>\$ 19.50</u>		<u>\$ 20.41</u>	

The notes are an integral part of these consolidated financial statements.
(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman: Wang Hsing Lei Chief Executive Officer: Chen Ming-Yi Chief Accounting Officer: Lin Shu Juan

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in equity
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands, except as otherwise indicated

Code		Share capital			Retained earnings					Other equity		Total	Total equity	
		No. of shares (thousand shares)	Ordinary share capital	Advanced receipt of share capital	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations			Unrealized gain of financial assets measured at fair value through other comprehensive incomes
A1	Balance on January 1, 2022	42,477	\$ 424,769	\$ -	\$ 424,769	\$ 592,852	\$ 595,108	\$ 8,597	\$ 2,113,635	\$ 2,717,340	(\$ 294,269)	\$ 647,451	\$ 353,182	\$ 4,088,143
G1	Exercise of employee stock options	36	360	60	420	6,296	-	-	-	-	-	-	-	6,716
B1	Appropriation and distribution of 2021 earnings													
B1	Legal reserve	-	-	-	-	-	78,396	-	(78,396)	-	-	-	-	-
B5	Cash dividends to the company's shareholders	-	-	-	-	-	-	-	(467,246)	(467,246)	-	-	-	(467,246)
D1	2022 net income	-	-	-	-	-	-	-	964,909	964,909	-	-	-	964,909
D3	2022 other comprehensive income - after tax	-	-	-	-	-	-	-	4,819	4,819	192,022	(55,335)	136,687	141,506
D5	Total comprehensive income of 2022	-	-	-	-	-	-	-	969,728	969,728	192,022	(55,335)	136,687	1,106,415
M3	Income taxes related to subsidiaries under organizational restructuring (Notes 23, 27)	-	-	-	-	1,984	-	-	-	-	-	-	-	1,984
N1	Share-based compensation – employee stock options (Note 25)	-	-	-	-	14,713	-	-	\$ -	-	-	-	-	14,713
Z1	Balance on December 31, 2022	42,513	425,129	60	425,189	615,845	673,504	8,597	2,537,721	3,219,822	(102,247)	592,116	489,869	4,750,725
G1	Exercise of employee stock options	342	3,420	275	3,695	49,486	-	-	-	-	-	-	-	53,181
B1	Appropriation and distribution of 2022 earnings													
B1	Legal reserve	-	-	-	-	-	96,973	-	(96,973)	-	-	-	-	-
B5	Cash dividends to the company's shareholders	-	-	-	-	-	-	-	(552,785)	(552,785)	-	-	-	(552,785)
B9	Stock dividends to the company's shareholders	4,252	42,522	-	42,522	-	-	-	(42,522)	(42,522)	-	-	-	-
D1	2023 net income	-	-	-	-	-	-	-	926,873	926,873	-	-	-	926,873
D3	2023 other comprehensive income - after tax	-	-	-	-	-	-	-	(1,803)	(1,803)	18,360	256,040	274,400	272,597
D5	Total comprehensive income of 2023	-	-	-	-	-	-	-	925,070	925,070	18,360	256,040	274,400	1,199,470
N1	Share-based compensation – employee stock options (Note 25)	-	-	-	-	10,680	-	-	-	-	-	-	-	10,680
Z1	Balance on December 31, 2023	47,107	\$ 471,071	\$ 335	\$ 471,406	\$ 676,011	\$ 770,477	\$ 8,597	\$ 2,770,511	\$ 3,549,585	(\$ 83,887)	\$ 848,156	\$ 764,269	\$ 5,461,271

The notes are an integral part of these consolidated financial statements.
(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Lin Shu Juan

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Statements of Cash Flow

From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Pre-tax profit for the current period	\$ 1,256,785	\$ 1,347,394
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation	222,217	193,442
A20200	Amortization	75,411	80,406
A20300	Expected credit losses (reversal gains)	7,450	(3,487)
A20900	Financial cost	59,174	28,516
A21200	Interest income	(9,944)	(4,082)
A21300	Dividend income	(59,200)	(37,000)
A21900	Cost of employee stock options	10,680	14,713
A22500	Loss (gain) on disposal of property, plant and equipment	(853)	4,467
A23700	Loss for market price decline and obsolete inventory	17,636	27,799
A24100	Unrealized foreign exchange (gains) losses	2,968	(44,802)
A29900	Gain on lease amendment	(19)	(621)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	(2,745)	1,263
A31150	Notes and accounts receivable	101,567	22,229
A31180	Other receivables	23,571	(28,274)
A31200	Inventory	186,894	(417,741)
A31230	Prepayments	28,016	(36,731)
A31240	Other current assets	594	158
A31990	Other non-current assets	2,889	662
A32110	Financial liabilities held for trading	(1,984)	1,541
A32150	Accounts payable	(119,118)	(129,093)
A32180	Other payables	(25,001)	8,333
A32230	Other current liabilities	(25,509)	(25,850)
A32240	Net defined benefit liability	85	42
A32990	Other non-current liabilities	(27,808)	17,577
A33000	Cash inflows from operating activities	1,723,756	1,020,861
A33100	Interest received	9,749	4,220
A33500	Income tax paid	(328,279)	(372,952)
AAAA	Net cash flows from operating activities	1,405,226	652,129

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Code		2023	2022
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive incomes	\$ -	(\$ 84,535)
B02200	Net cash outflow for acquisition of subsidiary (Note 26)	(358,490)	-
B02700	Purchase of property, plant and equipment	(147,223)	(85,236)
B02800	Proceeds from sale of property, plant and equipment	979	2,031
B03700	Increase in refundable deposits	(2,544)	(470)
B03800	Decrease in refundable deposits	205	5,321
B04500	Purchase of intangible assets	(22,537)	(15,152)
B06500	Increase in other financial asset	(44,660)	-
B07100	Increase in equipment prepayments	(75,785)	(59,153)
B07600	Dividends received	<u>59,200</u>	<u>37,000</u>
BBBB	Net cash outflows from investing activities	<u>(590,855)</u>	<u>(200,194)</u>
	Cash flows from financing activities		
C00100	Increase (decrease) in net short-term loans	(201,201)	320,151
C01600	Borrowing of long-term loans	300,000	280,000
C01700	Repayment of long-term loans	(327,473)	(560,000)
C03000	Collect the guarantee deposits received	-	84
C03100	Return of guarantee deposits received	(219)	(317)
C04020	Repayment of lease principals	(111,973)	(111,120)
C04500	Cash dividends paid	(552,785)	(467,246)
C04800	Exercise of employee stock options	53,181	6,716
C05600	Interest paid	<u>(56,769)</u>	<u>(26,894)</u>
CCCC	Net cash outflows from financing activities	<u>(897,239)</u>	<u>(558,626)</u>
DDDD	Currency impact on cash and cash equivalents	<u>6,372</u>	<u>48,858</u>
EEEE	Net decrease in cash and cash equivalents	(76,496)	(57,833)
E00100	Cash and cash equivalents at the beginning of the year	<u>1,142,046</u>	<u>1,199,879</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,065,550</u>	<u>\$ 1,142,046</u>

The notes are an integral part of these consolidated financial statements.

(Please refer to the audit report issued by Deloitte Taiwan on March 15, 2024.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Lin Shu Juan

TSC Auto ID Technology Co., Ltd.

2023 Earnings Distribution Table

Unit: NT\$

Item	Amount	
Unappropriated retained earnings for previous year		1,845,440,514
2023 net income	926,873,558	
Remeasurement of defined benefit plan recognized in retained earnings	(1,802,793)	
Adjusted unappropriated retained earnings after net income plus other items calculated into for the period		925,070,765
10% legal reserve		(92,507,077)
Earnings available for distribution for the period		2,678,004,202
Less: Distribution Items:		
Bonus to shareholders - cash dividends (NT\$13 per share)	(612,854,242)	
Unappropriated retained earnings at the end of the period		2,065,149,960

Note 1: The shareholders' bonus is distributed from the retained earnings of 2023.

Note 2: The cash dividend distribution will be calculated to the nearest NT dollar. Fractional dividend less than NT\$1 shall be combined into other income of the Company.

Note 3: The number of shares for cash dividends was calculated based on the total number of 47,142,634 shares outstanding as of March 7, 2024.

Chairman:
Wang Hsing Lei

General Manager:
Chen Ming-Yi

Chief Accounting Officer:
Lin Shu-Juan

TSC Auto ID Technology Co., Ltd.

Comparison Table of Amendments to 「 Procedures for Election of Directors 」

Articles	After Revision	Existing Provision	Explanation
9	<p>Ballots shall be deemed void under the following conditions:</p> <ol style="list-style-type: none"> The ballot was not <u>prepared by a person with the right to convene.</u> A blank ballot is placed in the ballot box. The writing on the ballot is blurred that cannot be identified. The candidate whose name is entered in the ballot does not conform to <u>the director candidate list.</u> Other words or marks are entered in addition to the number of voting rights allotted. 	<p>Ballots shall be deemed void under the following conditions:</p> <ol style="list-style-type: none"> Ballots not prepared by this Company in accordance with these Rules. A blank ballot is placed in the ballot box. The writing is unclear and indecipherable or has been altered. The candidate whose <u>name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u> <u>The voter cast votes for two or more candidates in the ballot.</u> <u>Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</u> <u>No shareholder account number or shareholder account number (or identity card number) is provided in the ballot.</u> 	<p>In accordance with Article 173 of the Company Act, shareholders may request the competent authority to convene their own meeting under certain circumstances (if the board of directors fails to give a notice convening a meeting), and it is intended to adjust paragraph 1 of the article.</p> <p>In addition, in response to the FSCs Jin-Guan-Zheng-Jiao-Zi Order No. 1080311451 issued on April 25, 2019, election of directors and supervisors for TWSE/TPEX listed companies should adopt the candidate nomination system starting from 2021. When elected, paragraph 4 and the original paragraph 6 of this Article are amended, and the original paragraphs 5 and 7 are deleted.</p>

15	<p>This Procedure was established on June 13, 2007.</p> <p>The first amendment was made on June 18, 2010.</p> <p>The second amendment was made on June 8, 2017.</p> <p><u>The third amendment to these Regulations was made on June 18, 2024.</u></p>	<p>This Procedure was established on June 13, 2007.</p> <p>The first amendment was made on June 18, 2010.</p> <p>The second amendment was made on June 8, 2017.</p>	<p>Added the third amendment date.</p>
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TSC Auto ID Technology Co., Ltd.
Shareholder Meeting Conference Rules

- I. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.
- II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- III. Attendance and voting at shareholders meetings shall be calculated based on numbers of shares.
- IV. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- V. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the vice chairman shall act in place of the Chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman 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.
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.
- VI. 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.
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- VII. The shareholders meeting shall be documented by audio or video and shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- VIII. The chair shall call the meeting to order at the appointed meeting time. 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.
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.

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.

- IX. 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 in 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, a new chair shall be elected, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After close of the said meeting, shareholders shall not elect another chairperson to hold another meeting at the same place or at any other place.

- X. 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.

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.

- XI. 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.

- XII. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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.

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

- XIV. 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.

- XV. 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.
- XVI. 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.
- XVII. 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 177, paragraph 2 of the Company Act.
- When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that 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 when a declaration is made to cancel the earlier declaration of intent.
- After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, 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.

- XVIII. 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.
- XIX. 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.
- XX. 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.

These Rules was established on August 9, 2007.

The first amendment was made on June 8, 2017.

The second amendment was made on July 23, 2021.

TSC Auto ID Technology Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

- Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 鼎翰科技股份有限公司 in the Chinese language, and TSC Auto ID Technology Co., Ltd. in the English language.
- Article 2: The scope of business of the Company shall be as follows:
1. CC01080 Manufacture of Electronic Parts and Components
 2. CB01020 Office Machines Manufacturing
 3. CC01110 Computers and Computing Peripheral Equipments Manufacturing
 4. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
 5. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
 6. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may provide mutual endorsements/guarantees for another company in the same industry for the business purpose.
- Article 4: The reinvestment of the Company shall be resolved by the board of directors. The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-in capital as provided in Article 13 of the Company Act.
- Article 5: The headquarters of this Company shall be located in New Taipei City. If the Company considers it necessary, it may, by a resolution adopted at a meeting by the board of directors, set up branch offices in Taiwan or abroad.

Chapter II Shares

- Article 6: The total capital stock of the Company shall be in the amount of 800,000,000 New Taiwan Dollars, divided into 80,000,000 shares, at ten New Taiwan Dollars each. The board of directors is authorized to issue the shares in installments, some of which may be preferred shares. The Company reserves NT\$80 million capital described in the preceding paragraph, divided into 8 million shares at NT\$10 per share, for the issuance of employee stock warrants. The employee stock warrants may be issued in installments as resolved by the board of directors, and the subscription price may be lower than the closing price on the issue date. The Company's employee stock warrants shall be

issued to employees of the parent or subsidiaries of the Company meeting certain specific requirements. These requirements are determined by the board of directors.

Article 6-1: The rights and obligations of the preferred shares of the Company and other important conditions for issuance are shown below:

- (I) Dividends for preferred shares shall be set at no more than 8% per annum. Dividends for preferred shares shall be calculated on the offering price per share and will be paid in cash once a year. After the ratification of the financial statements and the appropriation of the earnings by the annual regular shareholders' meeting, the Board shall set the dividend day for the distribution of dividends of the previous fiscal year. The distribution of dividends in the year of offering and the year of redemption shall be based on the quantity of the issuing day.
- (II) The Company is discretionary in payment of stock dividend for preferred shares. If the Company has no earnings in particular year, or the earnings are insufficient for dividend payment, or otherwise necessary, the Company may decide not to pay dividends on preferred shares by resolution of the shareholders' meeting, and this will not become a cause of default. If the preferred shares so issued are the non-accumulative type, the dividends not being distributed or inadequate amount of dividends shall not be accumulated to deferred payments with subsequent years in which the Company has earnings.
- (III) Further to the entitlement of dividend stated in Subparagraph 1, the holders of preferred shares are not entitled to cash dividend or stock dividend for common stocks through for cash payment or capitalization of retained earnings and capital reserve.
- (IV) Holders of preferred shares issued by the Company have the priority to distribution of residual assets over the holders of common stocks up to the amount of the issued price of the outstanding preferred shares at the time of issuance, and its preferential order to receive indemnification is the same as that of shareholders of various preferred shares issued by the Company, all of which are next to those of general creditors.
- (V) Holders of preferred shares are not entitled to vote and taking part in the election but could be elected as Directors, and are entitled to vote only in the Shareholders' Meeting of preferred shares and session of the Shareholders' Meeting related to the rights and obligations of the holders of preferred shares.
- (VI) No conversion of the convertible preferred shares issued by the Company within 1 year from the day of offering. The timing for conversion shall be determined by the Board as an integral part of the condition of offering under authorization. Holders of convertible preferred shares may apply for conversion of preferred shares in their holding to common stocks in whole or in part as stated in the conditions of offering at the ratio of 1 preferred share to 1 common stock (conversion ratio is 1:1). After the conversion of preferred shares to common stocks, the rights and obligations shall be the same as common stocks. The payment of dividend in the year of conversion of preferred

shares shall be based on the exact number of outstanding days of the shares in proportion to the number of days in the year in the calculation. However, preferred shares converted to common stocks prior to the ex-right (dividend) day are not entitled to the payment of dividend for preferred shares in the year of payment and payment in subsequent years, but are entitled to the payment of dividend of common stocks from earnings and capital reserve.

- (VII) For the holders of the preferred shares with no maturity date, they may not claim for the redemption of the shares. The Company may redeem the outstanding preferred shares in whole or in part from the day after the 5th anniversary of the offering of preferred shares at the original offering price at any time. The preferred shares not being redeemed still be granted the rights and obligations as mentioned in preceding subparagraphs. Where the Company may determine to pay stock dividend in particular year, the payable dividend to the deadline of redemption shall be calculated on the exact number of outstanding days.

The Board shall be authorized to assign the title, issuing date and the terms and conditions for the offering of preferred shares at the time of offering pending on the situation of the capital market and the willingness of the investors and in accordance with the Articles of Incorporation of the Company and other applicable legal rules.

Article 7: When the Company issues new shares, there shall be ten to fifteen percent of such new shares reserved for subscription by the employees of parent or subsidiaries of the Company meeting certain specific requirements, and such specific requirements are authorized to be set by the board of directors.

Article 8: The Company's stocks are changed to be registered with names. Issuance has to be signed or sealed by the director representing the Company, and shall be underwritten in accordance with the laws. After the Company has publicly listed, it may be exempted from printing any share certificate for the shares issued, but it shall register the issued shares with a centralized securities depositary enterprise.

Article 9: No transfer of shares shall be handled within thirty days prior to a regular shareholders' meeting, or within fifteen days prior to a special shareholders' meeting, or within five days prior to allocation of dividend bonus or any other benefits.

After the Company has been publicly listed, no transfer of shares shall be handled within sixty days prior to a regular shareholders' meeting, or within thirty days prior to a special shareholders' meeting, or within five days prior to allocation of dividend bonus or any other benefits in accordance with the Article 165 of the Company Act.

Article 10: The Company's stock matters shall be handled in accordance with the relevant laws and regulations by the competent authority.

Chapter III Shareholders Meeting

- Article 11: The meeting of shareholders includes the regular meeting of shareholders and special meeting of shareholders. The regular meetings shall be convened once a year within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China, while the Extraordinary General meeting of shareholders will be held when necessary.
The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.
- Article 12: In the event that a shareholder is unable to attend a shareholders' meeting for any reason, in addition to the provisions of Articles 177, 177-1 and 177-2 of the Company Act, upon the Company being publicly listed, the Company shall also comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" as promulgated by the Financial Supervisory Commission, Executive Yuan.
- Article 13: Shareholders are entitled to one vote per share. The resolutions reached in the meeting of shareholders, unless otherwise provided in the relevant laws and regulations, must be with the majority votes of the attending shareholders and the shareholdings of the attending shareholders is over one half of the total number of shares issued. However, this does not apply to the preferred shares with no voting rights issued by the Company.
- Article 13-1: If the Company proposes to withdraw from being publicly listed, the Company shall, in addition to obtaining the approval from the board of directors, a resolution in the shareholders' meeting shall be resolved by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares before proceeding with the withdrawal of being publicly listed.
- Article 14: The resolutions of the shareholders' meeting shall be signed or sealed by the chairperson, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The minutes referred to in the preceding paragraph shall be distributed in accordance with the Company Act.

Chapter IV Directors and Audit Committee

- Article 15: The Company's Board is composed of 7 directors elected among the competent individuals in the meeting of shareholders for a 3-year tenure and can be reelected. After the Company has been publicly listed, the minimum total registered shares owned by all directors shall be subject to the provisions of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

Article 15-1: After the Company has been publicly issued, the number of independent directors shall not be less than two and shall not be less than one-fifth of all directors. The Company shall adopt a candidate nomination system for the election of non-independent directors and independent directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority in charge of securities.

Article 15-2: The election of directors of the Company shall be conducted in accordance with the "Procedures for Election of Directors". The open-ballot, cumulative voting method will 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. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. In the event that there is a need to amend the Procedures, in addition to the provisions of Article 172 of the Company Act, the comparison table of the amendments shall be listed in the convening reason. The independent directors and non-independent directors shall be elected at the same time, but in separately calculated numbers.

Article 16: The board of directors shall consist of directors of the Company, and the chairman of the board of directors shall be elected by a majority of directors in attendance at a meeting attended by over two-thirds of the board of directors. The chairman of the board of directors shall represent this Company in external matters.

Board of Directors Meeting shall be convened at least once per quarter. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice of the meeting may be made by electronic mail or facsimile transmission. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 17: Where the chairman of the board of directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act.

Article 18: Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by one-half of the directors at a meeting attended by one-half of the directors. Where a director is unable to attend the meeting of the board of directors, he/she may appoint another director as his/her proxy to attend the meeting by issuing a letter of proxy. The meeting minutes of the Board of Directors shall be made. Each director can act as a proxy for only one other director.

Article 19: The authority of the Board of Directors shall be governed by the provisions of the Company Act and other relevant laws and regulations.

Article 20: The Company shall establish an Audit Committee, which shall consist of all independent directors. Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by the Company when the Audit Committee exercises its powers shall be prescribed separately in the Audit Committee Charter.

Powers conferred by the Company Act, the Securities and Exchange Act and any other law to be exercised by supervisors, excepting those powers set out in Article 14-4, paragraph 4, of the Securities and Exchange Act, shall be exercised by the Audit Committee.

The provisions of Article 14-4, paragraph 4, of the Securities and Exchange Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the Company, shall apply mutatis mutandis to the independent director members on the Audit Committee.

Article 21: The Company may pay remuneration to the directors of the Company when they perform the duties of the Company. The remuneration shall be based on the standards of the industry no matter whether the Company has profit or suffered loss. When the Company has a surplus, the Company shall also distribute the remuneration to the directors in accordance with the provisions of Article 25.

Article 22: In order to provide a liability insurance system for directors and to reduce the risks arising from the execution of their duties, the Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship after each term of election.

Chapter 5 Managerial Officers

Article 23: The Company shall appoint managers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 24: The Company's fiscal year is starting from January 1 until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year. The board of directors shall prepare the following statements and submit them to the regular shareholders' meeting for ratification in

accordance with the laws.

(I) Business report.

(II) Financial statements.

(III) Proposal of surplus earning distribution or loss off-setting.

Article 25: In case of profits during the year, the Company shall allocate at least 2% but no more than 10% of the profits as employees' remuneration. The employees' remuneration is issued in cash or wish shares according to the decision by the Board of Directors. Eligible employees include the employees working for controlled or subordinated companies and meeting certain criteria defined by the Board of Directors. The Company may allocate up to 5% of the abovementioned profits as directors' remunerations according to the decision by the Board of Directors. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting. However, profits must first be retained to offset cumulated losses, if any. The remaining balance can then be allocated for employee remuneration and director remuneration at the above percentages.

Article 25-1: Any earnings for the year should be used to pay taxes according to laws, offset losses from prior years, and then appropriate 10% as legal reserve and recognize or reverse any special reserves required by laws. After distributing dividends on preferred shares in accordance with Article 6-1 of the Articles of Incorporation, the remaining balance, along with accumulated and undistributed earnings from the previous year, may be reserved for business needs before distributing dividends to ordinary shareholders. The Company's legal reserve shall be appropriated until it reaches the total amount of the Company's paid-in capital. When the balance of the legal reserve has reached the total amount of the Company's paid-in capital, no further appropriation may be made. The Company is currently in a growth stage of its life cycle, and in order to cater to future capital requirements and business prospects, all shareholder dividends are to be proposed by the board of directors as part of an earnings appropriation plan, and resolved in a shareholder meeting. In principle, the percentage of earnings to be distributed according to the resolution may not be lower than 10% of the distributable earnings for the year. Dividends may be issued in cash or shares. The percentage of dividends distributed in cash may not be lower than 10% of the total dividends. However, stock dividends will be issued in lieu of cash dividends below NT\$0.2 per share. The rights, obligations, order of distribution, amount and manner of distribution of the preferred shares of the Company shall be governed by the preferred shares provisions of the Articles of Incorporation.

Appendix to Chapter 7 Provisions

Article 26: Any matters not provided for by these Articles of Incorporation shall be subject to the provisions of the Company Act.

Article 27: This Article of Incorporation was established on March 7, 2007.
The first amendment was made on April 26, 2007.
The second amendment was made on May 21, 2007.
The third amendment was made on June 13, 2007.
The fourth amendment was made on May 15, 2008.
The fifth amendment was made on June 16, 2009.
The sixth amendment was made on June 18, 2010.
The seventh amendment was made on June 19, 2012.
The eighth amendment was made on June 13, 2013.
The ninth amendment was made on June 7, 2016.
The tenth amendment was made on June 8, 2017.
The eleventh amendment was made on June 13, 2019.
The twelfth amendment was made on July 23, 2021.
The thirteenth amendment was made on June 17, 2022.
The fourteenth amendment was made on June 16, 2023.

TSC Auto ID Technology Co., Ltd.

Number of Shares Held by All Directors and Minimum Number of Shares Held by All Directors

- I. The quorum and the number of shares of the Company's directors as of April 20, 2024, the day on which the transfer of shares is suspended for the annual general shareholders' meeting, are as follows:

The Company's issued ordinary shares are 47,150,134 shares

Authorized Number of Shares to be Held by All Directors 3,772,010 shares

Authorized Number of Shares to be Held by All Supervisors Not applicable*

* Not applicable due to the establishment of the Audit Committee

- II. As of April 20, 2024, the date for suspension of transfer of shares for the Annual General Shareholders' Meeting 2024, the shareholdings of all directors are as follows:

Job Title	Name	No. of shares held
Chairman	Wang Hsing Lei	303,583
Director	Wang Shiu Ting	903,826
Director	Taiwan Semiconductor Co., Ltd. Corporate representative: Luo Yue Gui	16,995,230
Director	Chen Ming-Yi	0
Independent Director	Ma Chia Ying	0
Independent Director	Li Chun Chi	0
Independent Director	Lin Tuo Zhi	42,583
Shareholdings and percentages of shares held by all directors		18,245,222

Other explanatory items

Explanation on the acceptance of shareholders' proposals at this regular shareholders' meeting:

- Explanation: I. Pursuant to Article 172-1 of the Company Act, a shareholder holding 1% or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and the number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words. In case a proposal contains more than one matter, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- II. The period for accepting the shareholders' proposal for this year's regular shareholders' meeting is from March 3, 2024 to April 15, 2024. The Company has announced the acceptance of the proposal on the Market Observation Post System in accordance with the laws.
- III. The Company did not receive any proposals from shareholders during the aforesaid period of accepting proposals.