

**Stock No.: 3611**



**TSC Auto ID Technology Co., Ltd.**

**Handbook**  
**For**  
**2025 Annual General Shareholder's Meeting**

*Notice to readers*

*This English-version Handbook is a summary translation of the Chinese version and is not an official document for the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Type of Meeting: Physical Meeting

Time: 9:00 a.m., June 17, 2025

Address: No. 35, Sec. 2, Ligong 1st Road, Chengxing Village,  
Wujie Township Yilan County

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## **I. Meeting Procedures**

### **TSC Auto ID Technology Co., Ltd.**

#### **Procedures of the 2025 Annual General Shareholder's Meeting**

1. Meeting started
2. Chairperson's Address
3. Report Items
4. Matters for Ratification Proposals
5. Discussion Items
6. Election Item
7. Other Items
8. Extemporaneous Motions
9. Adjournment

## **II. Meeting Agenda**

### **TSC Auto ID Technology Co., Ltd.**

#### **Agenda of the 2025 Annual General Shareholder's Meeting**

Time: 9:00 a.m., June 17, 2025(Tuesday)

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

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
  - (1) 2024 Business Report
  - (2) 2024 Audit Committee's Review Report
  - (3) 2024 Employees' remuneration and Directors' remuneration
  - (4) Report on the Regulations Governing the Acquisition and Disposal of Assets of the Company
  - (5) Amendment to the 「Codes of Ethical Conduct」
4. Matters for Ratification Proposals
  - (1) Acknowledgment of the 2024 Business Report and Financial Statements
  - (2) Acknowledgment of the 2024 Earnings Distribution
5. Discussion Items
  - (1) Amendment to the 「Articles of Incorporation」
  - (2) Amendment to the 「Procedures for Lending Funds to Other Parties」
6. Election Item  
Election of Directors
7. Other Items  
Lifting of non-competition restrictions for new Directors
8. Extemporaneous Motions
9. Adjournment

## 1. Report Items

- (1) Please review 2024 Business Report.

Description: Business Report for 2024, please refer to Appendix 1 (Pages 8 - 11) of this Handbook.

- (2) Please review 2024 Audit Committee's Review Report.

Description: Please refer to Appendix 2 (Page 12) of this handbook for the Audit Committee's Review Report.

- (3) Please review 2024 Employees' remuneration and Directors' remuneration.

Description: In accordance with Article 25 of the Company's Articles of Incorporation, 5% of the net profit for 2024, totaling NT\$45,030,161, has been allocated as Employee remuneration, and 2.5% of the net profit, totaling NT\$22,515,081, has been allocated as Directors' remuneration. It is proposed that the entire amount be distributed in cash.

- (4) Please review the report on the Regulations Governing the Acquisition and Disposal of Assets of the Company.

Description: 1. In accordance with Article 8, Paragraph 5 of the Company's 「Procedures for Acquisition or Disposal of Assets」, the acquisition of the Korean company, Bluebird Inc., by the Company is hereby reported to the shareholders' meeting for record.

2. To expand the Company's range of products and services and to provide customers with more comprehensive automatic identification system solutions for enhanced competitiveness, the Board of Directors resolved on August 1, 2024 to acquire Bluebird Inc. for a total consideration of KRW 118,703,431,200.

3. As of November 20, 2024, the Company has completed the acquisition of 6,777 thousand shares, representing 96.54% of total shares. The remaining 3.46% held by minority shareholders is still in the process of being acquired.

(5) Please review the revision of the 「 Code of Ethical Conduct 」 .

Description: In accordance with the 「 Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies 」 , certain provisions of the Company's 「 Code of Ethical Conduct 」 have been revised. Please refer to Appendix 3 (Pages 13 -18) of this handbook for the comparison table of the revised provisions.

## **2. Matters for Ratification Proposals**

### **Proposal 1**

**(Proposed by the Board of Directors)**

Proposal: Acknowledgment of the 2024 Business Report and Financial Statements

Description: 1. The 2024 Business Report has been prepared by the Board of Directors. Please refer to Appendix 1 (Pages 8 - 11) of this Handbook.

2. The Standalone Financial Statements and the Consolidated Financial Statements for 2024 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 (Pages 19 - 42) of CPA's Audit Report and The Standalone Financial Statements and the Consolidated Financial Statements.

3. Please review and ratify.

Resolution:

### **Proposal 2**

**(Proposed by the Board of Directors)**

Proposal: Acknowledgment of the 2024 Earnings Distribution

Description: 1. The Company's undistributed earnings at the beginning of 2024 are NT\$2,065,149,960, the 2024 net income is NT\$669,956,935, and the distributable earnings are NT\$2,658,076,455. The proposed shareholder cash dividend for distribution according to the Articles of Incorporation was NT\$474,481,340, (estimated distribution of NT\$10 per share) and for the proposed earnings distribution table. Please refer to Appendix 5 of this Handbook (Page 43).

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:

### **3. Discussion Items**

#### **Proposal 1**

**(Proposed by the Board of Directors)**

Reason: Amendment to the 「Articles of Incorporation」

Description: 1. In accordance with the Financial Supervisory Commission's addition of Article 14, Paragraph 6 of the Securities and Exchange Act and related legal amendments, the Company proposes to revise certain provisions of its 「Articles of Incorporation」. Please refer to Appendix 6 (pages 44 - 45) of this handbook for the comparison table of the revised provisions.

Please discuss and resolve.

Resolution:

#### **Proposal 2**

**(Proposed by the Board of Directors)**

Reason: Amendment to the 「Procedures for Lending Funds to Other Parties」

Description: 1. In accordance with the FAQ on 「Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies」 the Company proposes to revise certain provisions of its 「Procedures for Lending Funds to Other Parties」, Please refer to Appendix 7 (pages 46 - 52) of this handbook for the comparison table of the revised provisions.

2. Please discuss and resolve.

Resolution:

#### **4. Election Item**

##### **Proposal I**

**Proposed by the Board of Directors**

Proposal: Election of Directors

- Explanation:
1. The term of the 6th Board of Directors will be ended on June 16, 2025. According to Article 15 of the Articles of Incorporation, the election of the 7th Board of Directors shall be held to elect 7 Directors (including 3 Independent Directors). After the shareholders' meeting, the newly appointed Independent Directors will form the Audit Committee.
  2. The newly elected Directors and Independent Directors of the 7th term shall assume office on the date of election and shall serve for a term of 3 years from June 17, 2025 to June 16, 2028.
  3. The election of Directors follows a nomination system, with Directors selected from the list of nominated candidates. Elections are conducted separately for Independent Directors and non-Independent Directors, with separate quotas for each. Please refer to Appendix 8 (pages 53 - 55) of this handbook for the list of Directors and Independent Directors candidates, along with relevant information.
  4. For Procedures for Election of Directors, please refer to Appendix 12 (pages 69 - 70).
  5. Please vote.

Voting Result:



## **5. Other Items**

### **Proposal I**

### **Proposed by the Board of Directors**

Proposal: Lifting of non-competition restrictions for new Directors

- Explanation:
1. In accordance with the Article 209 of the Company Act, Directors shall explain important aspects of their actions that belong to or are related to the company's business scope to the shareholders' meeting and obtain its approval.
  2. For the needs of the company's business development, it is proposed to seek the shareholders' meeting's resolution to lift the non-competition restrictions on the newly appointed Directors and their representatives. Please refer to Appendix 9 (page 56) of this handbook for the list of releases and related information.
  3. Please discuss and resolve.

Resolution:

## **6. Extemporaneous Motions**

## **7. Adjournment**

### III. Appendix

#### Appendix 1

## TSC Auto ID Technology Co., Ltd.

### 2024 Business Report

In 2024, due to industry inventory adjustments, market demand for barcode printers in Europe, the United States, and Northeast Asia was weak. For the full year, revenue decreased by 1% excluding Bluebird, but increased by 5% when including Bluebird. The Company completed the acquisition of Bluebird in the fourth quarter, enhancing the Group's overall product portfolio and actively strengthening its global brand presence and market share in product sales. Please refer to the following report of the Company's 2024 business results, a summary of the 2025 business plan, and descriptions of the Company's development strategy, external competitive environment, regulatory environment, and the macroeconomic environment:

#### I. 2024 business report: (based on the data shown in consolidated financial statements)

##### (I) Results of the 2024 business plan:

Unit: NT\$ thousand

Project name	2024	2023	Increase (decrease) %
Net operating revenues	8,798,132	8,351,762	5%
Gross profits	2,735,160	2,807,221	-3%
Operating profits	916,666	1,196,599	-23%
Profits before tax	934,411	1,256,785	-26%
Net income for the period	672,216	926,873	-27%
Total comprehensive income for the period	127,248	1,199,470	-89%
Basic EPS (NT\$)	14.19	19.76	-28%

##### (II) 2024 budget execution: The Company did not produce a Financial forecast, and hence is not required to disclose the budget execution.

(III) Revenues, expenses, and profitability analysis:

Unit: NT\$ thousand

Item \ Year		2024	2023
Profit and loss	Operating profits	916,666	1,196,599
	Net non-operating income (expense)	17,745	60,186
	Profits before tax	934,411	1,256,785
	Net income	672,216	926,873
	Total comprehensive income for the period	127,248	1,199,470
Profitability	Return on assets (%)	7	11
	Return on shareholders' equity (%)	13	18
	As a percentage of paid-in capital (%)	Operating profit	254
		Pre-tax profit	267
	Net profit margin (%)	8	11
	Earnings per share (NT\$)	14.19	19.76

(IV) Research and development:

As the application of automatic identification increases in the global market, the Company invested a total of NT\$304,582 thousand in R&D in 2024, accounting for 3.5% of the annual operating revenue. We continue to develop value-added software tools (TSC Console Web) for printer management through online or internal networks to help customers manage equipment and expand service scope. Enhancing product connectivity and cybersecurity continues to be a strategic objective for TSC, addressing regulatory requirements and the evolving needs of enterprise users. Additionally, the development of next-generation products and the application of new fields focus on reducing energy usage during the production process, using recycled plastics, green packaging materials, and recyclable components. The Company is also investing in capital expenditure on enterprise handheld computers label paper equipment to enhance its market competitiveness and continue to increase its revenue and profit.

II. Summary of the 2025 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 Company's main sources of revenue are from the sales and services of automatic identification printers, label paper consumables, and enterprise handheld computers. The sales volume is determined based on factors such as the Company's annual sales targets, market demand, development trends, the operational conditions of customers, and the current order situation, with reasonable consideration of the Company's operational scale. It is estimated that the Company's performance will show a stable development trend, positively benefiting its financial and business conditions.

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 solution plans has increased, and demands for products to meet ESG requirements are getting high. Facing external competitive pressures, the Company continues to invest in the development of innovative technologies, deepening our core capabilities in resource integration and cross-domain development. We are expanding market partnerships and connections, focusing on the development of vertical market application solutions that combine label printers, consumables, and handheld input devices. Additionally, we are committed to offering more environmentally conscious green products, proactively addressing 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:  
Chen Yen-Han

**TSC Auto ID Technology Co., Ltd.**

**Audit Committee's Review Report**

We have reviewed the Company's 2024 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

2025 Annual General meeting of TSC Auto ID Technology Co., Ltd.

Audit Committee convener: Ma Chia Ying

March 14, 2025

## Comparison Table of Amendments to the 「Codes of Ethical Conduct」

Articles	After Revision	Existing Provision	Explanation
1	<p>The Code is established to ensure that the behaviors of the Company's directors and managers <u>(including "the General Manager and the equivalents, Vice General Manager and the equivalents, Assistant General Manager and the equivalents, chief of the finance department, chief of the accounting department, and other persons entitled to manage the Company's affairs and execute documents on behalf of the Company and all employees (hereinafter referred to as 「the Company's personnel」)</u> ) comply with ethical standards, and to enable the Company's stakeholders to better understand the Company's ethical standards.</p>	<p>The Code is established to ensure that the behaviors of the Company's directors and managers comply with ethical standards, and to enable the Company's stakeholders to better understand the Company's ethical standards.</p>	<p>In order to guide the Company's directors and managers and all employees to conduct themselves in accordance with this Code of Ethical Conduct, all employees are newly added as applicable targets.</p>
2	<p><b><u>The Company's personnel</u></b> shall aim to pursue the Company's overall interests when performing their job duties and refrain from impairing the Company's interest and rights or the interest of any specific person or group and improperly benefiting themselves, and their spouses and relatives within <b><u>2nd</u></b> degree of kinship, and affiliates entitled to financial benefits directly or indirectly based on their positions in the Company.</p> <p>When engaging in the loaning of funds or making of guarantees, significant asset transactions,</p>	<p><b><u>Directors and managers</u></b> shall aim to pursue the Company's overall interests when performing their job duties and refrain from impairing the Company's interest and rights or the interest of any specific person or group and improperly benefiting themselves, and their spouses, <b><u>parents, children</u></b> and relatives within <b><u>3th</u></b> degree of kinship, and affiliates entitled to financial benefits directly or indirectly based on their positions in the Company.</p> <p>When engaging in the</p>	<p>1. The same as above.</p> <p>2. Revised in accordance with the "Reference Procedures for Ethical Conduct Criteria Established by Listed Upper Cabinet Companies".</p>

Articles	After Revision	Existing Provision	Explanation
	and sales (purchase) transactions with said personnel, the Company shall prevent any conflict of interest, and <b><u>the Company's personnel</u></b> shall explain whether there is any potential conflict of interest with the Company voluntarily.	loaning of funds or making of guarantees, significant asset transactions, and sales (purchase) transactions with said personnel, the Company shall prevent any conflict of interest, and <b><u>directors and managers</u></b> shall explain whether there is any potential conflict of interest with the Company voluntarily.	
3	<b><u>The Company's personnel</u></b> shall not engage in the following activities, in order to avoid seeking opportunities for personal gains: (1) Seek personal gain by using the Company's property or information or through taking advantage of their positions; (2) Personally gain using the Company's property or information or through taking advantage of their positions; (3) Compete with the Company.	<b><u>Directors and managers</u></b> shall not engage in the following activities, in order to avoid seeking opportunities for personal gains: (1) Seek personal gain by using the Company's property or information or through taking advantage of their positions; (2) Personally gain using the Company's property or information or through taking advantage of their positions; (3) Compete with the Company.	The same as above.
4	<b><u>The Company's personnel</u></b> shall be obligated to keep confidential the information of the Company or the customers, except when authorized or required by laws to disclose the information.	<b><u>Directors and managers</u></b> shall be obligated to keep confidential the information of the Company or the customers, except when authorized or required by laws to disclose the information.	The same as above.
5	<b><u>The Company's personnel</u></b> shall treat the Company's customers, competitors, and employees fairly, and may not manipulate, conceal, or abuse information learned by virtue of their positions, or make false	<b><u>Directors and managers</u></b> shall treat the Company's customers, competitors, and employees fairly, and may not manipulate, conceal, or abuse information learned by virtue of their positions, or	The same as above.



Articles	After Revision	Existing Provision	Explanation
	statements on important matters or engage in other unfair transactions to obtain improper benefits.	make false statements on important matters or engage in other unfair transactions to obtain improper benefits.	
6	<b><u>The Company's personnel</u></b> shall take the responsibility to protect the Company's assets and ensure that they can be effectively and lawfully used for business, in order to prevent any theft, negligence or waste of assets which will directly affect the Company's profitability.	<b><u>Directors and managers</u></b> shall take the responsibility to protect the Company's assets and ensure that they can be effectively and lawfully used for business, in order to prevent any theft, negligence or waste of assets which will directly affect the Company's profitability.	The same as above.
7	<b><u>The Company's personnel</u></b> shall comply with the Securities and Exchange Act and other laws and regulations.	<b><u>Directors and managers</u></b> shall comply with the Securities and Exchange Act and other laws and regulations.	The same as above.
8	The Company shall strengthen the internal promotion of ethics, and any employee who suspects or discovers any violation of laws and regulations is encouraged to immediately report the case to the Audit Committee, managers, internal audit officers, other appropriate personnel <b><u>or report the case in accordance with the Company's 「Whistleblower Reporting Channel and Protection Policies」</u></b> .	The Company shall strengthen the internal promotion of ethics, and any employee who suspects or discovers any violation of laws and regulations is encouraged to immediately report the case to the Audit Committee, managers, internal audit officers or other appropriate personnel.	Revised in accordance with the "Reference Procedures for Ethical Conduct Criteria Established by Listed Upper Cabinet Companies" , The " Whistleblower Reporting Channel and Protection Policies " approach has been added.
10	If any directors and managers wish to waive compliance with Article 2 of the Company's Code of Ethical Conduct, it is necessary to sufficiently disclose the interest between the	If any directors and managers wish to waive compliance with Article 2 of the Company's Code of Ethical Conduct, it is necessary to sufficiently disclose the	Revised in accordance with the "Reference Procedures for Ethical

Articles	After Revision	Existing Provision	Explanation
	<p>personnel or enterprises referred to in Article 2 and the legal acts, non-existence of disbenefit to the Company and reasons for compliance with the regular business practices. Such waiver shall be subject to approval by a resolution of the Board of Directors.</p> <p>If any directors and managers wish to waive compliance with the Subparagraph 3, Paragraph 1, Article 3 of the Company's Code of Ethical Conduct, it is necessary to explain to the Board of Directors the opportunities, information, or details about the competition with the Company, non-existence of disbenefit to the Company and reasons for compliance with the regular business practices. Such waiver shall be subject to approval by a resolution of the Board of Directors. The directors may engage in competition only upon approval of the shareholders' meeting pursuant to the Company Act.</p> <p>After the resolution for approval of the waivers referred to in the preceding two paragraphs is adopted, the Company shall disclose on the Market Observation Post System (MOPS) the date of approval by the Board of Directors, <b><u>objection or qualified opinion of the independent directors,</u></b> applicable period for the exemption, reasons for the exemption and guidelines for the exemption, in a timely manner.</p>	<p>interest between the personnel or enterprises referred to in Article 2 and the legal acts, non-existence of disbenefit to the Company and reasons for compliance with the regular business practices. Such waiver shall be subject to approval by a resolution of the Board of Directors.</p> <p>If any directors and managers wish to waive compliance with the Subparagraph 3, Paragraph 1, Article 3 of the Company's Code of Ethical Conduct, it is necessary to explain to the Board of Directors the opportunities, information, or details about the competition with the Company, non-existence of disbenefit to the Company and reasons for compliance with the regular business practices. Such waiver shall be subject to approval by a resolution of the Board of Directors. The directors may engage in competition only upon approval of the shareholders' meeting pursuant to the Company Act.</p> <p>After the resolution for approval of the waivers referred to in the preceding two paragraphs is adopted, the Company shall disclose on the Market Observation Post System (MOPS) <b><u>the exempt person of the title, name,</u></b> the date of approval by the Board of Directors, applicable period for the</p>	<p>Conduct Criteria Established by Listed Upper Cabinet Companies".</p>

Articles	After Revision	Existing Provision	Explanation
		exemption, reasons for the exemption and guidelines for the exemption, in a timely manner.	
11	<p>If any directors and managers violate the code of ethical conduct, the company shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.</p> <p><b><u>The Company establish the 「Procedures for Ethical Management and Guidelines for Conduct」 to provide remedial actions for violators of the Code.</u></b></p>	<p>If any directors and managers violate the code of ethical conduct, the company shall without delay disclose on the Market Observation Post System (MOPS) <b><u>the title, name the violation,</u></b> the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.</p>	<p>1. Cooperate with the implementation of the Personal Data Protection Act and formulate a relevant complaint system to provide relief for those who violate the Code of Ethical Conduct.</p> <p>2. Revised in accordance with the “Reference Procedures for Ethical Conduct Criteria Established by Listed Upper Cabinet Companies”.</p>
12	<p>The Code, and the amendments hereto, shall be disclosed on <b><u>the Company’s official website,</u></b> annual report, prospectus, and on the Market Observation Post System (MOPS).</p>	<p>The Code, and the amendments hereto, shall be disclosed on annual report, prospectus and on the Market Observation Post System (MOPS).</p>	<p>Revised in accordance with the “Reference Procedures for Ethical Conduct Criteria Established by Listed Upper Cabinet</p>

Articles	After Revision	Existing Provision	Explanation
			Companies”.
13	The Code, and the amendments hereto, shall be implemented after approval from the <b><u>Audit Committee and</u></b> Board of Directors, and <b><u>reported</u></b> to the shareholders’ meeting.	The Code, and the amendments hereto, shall be implemented after approval from the Board of Directors, <b><u>shall be submitted to each Independent Director</u></b> and to the Shareholders' Meeting.	The additional Code shall be reviewed by the Audit Committee in advance.
14	The Code was established on December 23, 2011. <b><u>The First amendment was made on November 8, 2024.</u></b>	The Code was established on December 23, 2011.	Add the date of the first revision.

**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, 2024 and December 31, 2023; the standalone incomes statement from January 1 to December 31, 2024 and from January 1 to December 31, 2023; the standalone statements of changes in equity and the standalone statements of cash flows from January 1 to December 31, 2024 and from January 1 to December 31, 2023 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, 2024 and 2023, standalone financial performance from January 1 to December 31, 2024 and 2023, and standalone cash flows from January 1 to December 31, 2024 and 2023.

**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 Matters

Key Audit Matters are matters that we considered to be the most important, based on professional judgment, when auditing the 2024 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 Matters concerning the 2024 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 the control over 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, and the control over MGN sp. z. in June 2023. Through the above-mentioned business combination transactions, the Company acquired Printronix's industrial printer business (hereinafter referred to as the "printer business group"), the label paper business - DLS brand and the label business - MGN brand. The investment (including goodwill) was accounted for under the equity method in the standalone financial statements for the year. The amount of the investment is material to the standalone financial statements, and the impairment assessment of goodwill is as follows:

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.

When assessing whether goodwill is impaired, we performed the following audit procedures based on the significant estimates and assumptions used in the future cash flow and weighted average cost of capital:

1. Obtain the goodwill impairment test evaluation report issued by the evaluation experts commissioned by management, to understand and evaluate the reasonableness of the recoverable amount calculated by the evaluation model.
2. Assumptions used in the evaluation model include sales growth rate, profit rate, weighted average cost of capital (including interest rate without risk, volatility and risk premium), and other factors such as the Company's operating conditions, industry conditions and future

prospects, etc. The reasonableness of the goodwill impairment test evaluation report is comprehensively evaluated.

### **Other Matters**

As narrated in Note 11 of the standalone financial statement, amongst some of the equity-accounted subsidiaries of reinvestments presented in the 2024 and 2023 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, 2024 and 2023, the abovementioned equity-accounted investees represented 44.47% and 23.70% respectively of the Company's standalone total assets; share of profit from the abovementioned investees in 2024 and 2023 accounted for 16.10% and 11.37% 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 Matters after communicating with the governing body regarding the 2024 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 14, 2025

TSC Auto ID Technology Co., Ltd.  
Standalone Balance Sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Asset	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	\$ 573,609	5	\$ 578,606	7
1110	Financial assets at fair value through profit or loss (Notes 7 and 26)	43	-	4,543	-
1170	Notes and accounts receivable, net (Note 9)	275,517	3	304,305	4
1180	Accounts receivable – affiliated parties (Note 27)	1,080,271	10	1,034,474	13
1200	Other receivables	14,576	-	8,836	-
1210	Other receivables – affiliated parties (Note 27)	242,097	2	16,700	-
130X	Inventory (Note 10)	438,300	4	470,919	6
1470	Other current assets	4,858	-	3,285	-
11XX	Total current assets	<u>2,629,271</u>	<u>24</u>	<u>2,421,668</u>	<u>30</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (Notes 8 and 26)	849,072	8	1,354,200	17
1550	Equity-accounted investments (Notes 11, 24, 27, and 28)	6,700,325	62	3,664,413	45
1600	Property, plant and equipment (Note 12)	438,027	4	447,753	6
1755	Right-of-use assets (Note 13)	16,010	-	26,750	-
1780	Intangible assets (Note 14)	33,186	1	25,022	-
1840	Deferred income tax assets (Note 21)	96,290	1	129,890	2
1990	Other non-current assets	27,340	-	21,459	-
15XX	Total non-current assets	<u>8,160,250</u>	<u>76</u>	<u>5,669,487</u>	<u>70</u>
1XXX	Total assets	<u>\$ 10,789,521</u>	<u>100</u>	<u>\$ 8,091,155</u>	<u>100</u>
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note 15)	\$ 1,835,419	17	\$ 671,189	8
2120	Financial liabilities at fair value through profit or loss (Notes 7 and 26)	330	-	-	-
2170	Accounts payable	222,424	2	333,356	4
2180	Accounts payable – affiliated parties (Note 27)	316,688	3	164,742	2
2200	Other payables (Note 16)	189,686	2	234,022	3
2220	Other payables - related parties (Note 27)	88,589	1	20,822	-
2230	Income tax liability during the period (Note 21)	27,077	-	92,916	1
2280	Lease liability (Note 13)	12,289	-	11,712	-
2320	Long-term liabilities due within one year (Note 15)	200,000	2	-	-
2399	Other current liabilities (Note 19)	79,274	-	30,325	1
21XX	Total current liabilities	<u>2,971,776</u>	<u>27</u>	<u>1,559,084</u>	<u>19</u>
	Non-current liabilities				
2540	Long-term loans (Note 15)	2,332,203	22	600,000	8
2570	Deferred income tax liabilities (Note 21)	372,660	3	336,156	4
2580	Lease liability (Note 13)	4,117	-	15,281	-
2640	Net defined benefit liability (Note 17)	15,431	-	16,842	-
2670	Other non-current liabilities (Note 11)	67,541	1	102,521	1
25XX	Total non-current liabilities	<u>2,791,952</u>	<u>26</u>	<u>1,070,800</u>	<u>13</u>
2XXX	Total liabilities	<u>5,763,728</u>	<u>53</u>	<u>2,629,884</u>	<u>32</u>
	Equity (Note 18)				
3110	Ordinary share capital	473,791	5	471,406	6
3200	Capital surplus	722,280	7	676,011	8
	Retained earnings				
3310	Legal reserve	862,984	8	770,477	10
3320	Special reserve	8,597	-	8,597	-
3350	Unappropriated earnings	2,723,957	25	2,770,511	34
3300	Total retained earnings	<u>3,595,538</u>	<u>33</u>	<u>3,549,585</u>	<u>44</u>
3400	Other equity	234,184	2	764,269	10
3XXX	Total equity	<u>5,025,793</u>	<u>47</u>	<u>5,461,271</u>	<u>68</u>
	Total liabilities and equity	<u>\$ 10,789,521</u>	<u>100</u>	<u>\$ 8,091,155</u>	<u>100</u>

The notes are an integral part of these parent company only financial statements.

(Please refer to the audit report issued by Deloitte Taiwan on March 14, 2025.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd.  
Standalone Comprehensive Income Statement  
January 1 to December 31, 2024 and 2023

Code		Unit: NT\$ thousands except NT\$ for earnings per share			
		2024		2023	
		Amount	%	Amount	%
	Operating incomes (Notes 19, 27)				
4110	Revenues	\$ 3,105,800	100	\$ 3,784,488	100
	Operating costs (Notes 10, 20, 27)				
5110	Cost of goods sold	<u>2,031,786</u>	<u>65</u>	<u>2,301,432</u>	<u>61</u>
5900	Gross profits	1,074,014	35	1,483,056	39
5910	(Unrealized) unrealized gain on transactions with subsidiaries	<u>74,135</u>	<u>2</u>	( <u>123,660</u> )	( <u>3</u> )
5950	Realized gross profit	<u>1,148,149</u>	<u>37</u>	<u>1,359,396</u>	<u>36</u>
	Operating expenses (Notes 9, 20, 27)				
6100	Sales & marketing expenses	86,852	3	103,101	3
6200	Administrative expenses	244,891	8	244,986	6
6300	R&D expenses	<u>248,687</u>	<u>8</u>	<u>245,372</u>	<u>6</u>
6000	Total operating expenses	<u>580,430</u>	<u>19</u>	<u>593,459</u>	<u>15</u>
6900	Operating profits	<u>567,719</u>	<u>18</u>	<u>765,937</u>	<u>21</u>
	Non-operating incomes and expenses				
7100	Interest income (Notes 20, 27)	11,770	1	10,262	-
7190	Other incomes (Notes 20, 27)	37,110	1	68,588	2
7020	Other gains and losses (Note 20)	28,145	1	28,345	1
7050	Financial costs (Notes 20 and 27)	( 61,703 )	( 2 )	( 46,816 )	( 1 )
7070	Share of profit from equity-accounted subsidiaries (Note 11)	<u>250,017</u>	<u>8</u>	<u>320,085</u>	<u>8</u>
7000	Total non-operating incomes and expenses	<u>265,339</u>	<u>9</u>	<u>380,464</u>	<u>10</u>

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Code		2024		2023	
		Amount	%	Amount	%
7900	Profits before tax	\$ 833,058	27	\$ 1,146,401	31
7950	Income tax expenses (Note 21)	<u>163,101</u>	<u>6</u>	<u>219,528</u>	<u>6</u>
8200	Current net income	<u>669,957</u>	<u>21</u>	<u>926,873</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)	1,487	-	( 1,803 )	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive incomes (Note 18)	( 598,962 )	( 19 )	256,040	7
8320	Share of other comprehensive income of subsidiaries accounted for using the equity method (Note 18)	( <u>12,637</u> )	<u>-</u>	<u>-</u>	<u>-</u>
8310		( <u>610,112</u> )	( <u>19</u> )	<u>254,237</u>	<u>7</u>
	Items that may be subsequently reclassified to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations (Note 18)	86,096	3	22,950	-
8399	Income tax components that may be reclassified (Note 21)	( <u>17,219</u> )	( <u>1</u> )	( <u>4,590</u> )	<u>-</u>
8360		<u>68,877</u>	<u>2</u>	<u>18,360</u>	<u>-</u>
8300	Other comprehensive income for the year (net of tax)	( <u>541,235</u> )	( <u>17</u> )	<u>272,597</u>	<u>7</u>
8500	Total comprehensive income for the year	<u>\$ 128,722</u>	<u>4</u>	<u>\$ 1,199,470</u>	<u>32</u>
	Earnings per share (Note 22)				
9710	Basic	<u>\$ 14.19</u>		<u>\$ 19.76</u>	
9810	Diluted	<u>\$ 14.05</u>		<u>\$ 19.50</u>	

The notes are an integral part of these parent company only financial statements.

(Please refer to the audit report issued by Deloitte Taiwan on March 14, 2025.)

Chairman: Wang Hsing Lei    Chief Executive Officer: Chen Ming-Yi    Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd.  
Standalone Statement of Changes in equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand unless otherwise indicated

		Share capital		Retained earnings				Other equity				
Code		No. of shares (thousand shares)	Ordinary share capital	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	Total	Total equity
A1	Balance on January 1, 2023	42,519	\$ 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	370	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 )	-	-	-	-
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	47,141	471,406	676,011	770,477	8,597	2,770,511	3,549,585	( 83,887 )	848,156	764,269	5,461,271
G1	Exercise of employee stock options	238	2,385	28,803	-	-	-	-	-	-	-	31,188
	Appropriation and distribution of 2023 earnings											
B1	Legal reserve	-	-	-	92,507	-	( 92,507 )	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	( 612,854 )	( 612,854 )	-	-	-	( 612,854 )
B9	Stock dividend to shareholders	-	-	-	-	-	-	-	-	-	-	-
D1	2024 net income	-	-	-	-	-	669,957	669,957	-	-	-	669,957
D3	2024 other comprehensive income - after tax	-	-	-	-	-	( 11,150 )	( 11,150 )	68,877	( 598,962 )	( 530,085 )	( 541,235 )
D5	Total comprehensive income of 2024	-	-	-	-	-	658,807	658,807	68,877	( 598,962 )	( 530,085 )	128,722
N1	Share-based compensation – employee stock options (Note 23)	-	-	17,466	-	-	-	-	-	-	-	17,466
Z1	Balance on December 31, 2024	47,379	\$ 473,791	\$ 722,280	\$ 862,984	\$ 8,597	\$ 2,723,957	\$ 3,595,538	( \$ 15,010 )	\$ 249,194	\$ 234,184	\$ 5,025,793

The notes are an integral part of these parent company only financial statements.  
(Please refer to the audit report issued by Deloitte Taiwan on March 14, 2025.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd.  
Standalone Statement of Cash Flows  
January 1 to December 31, 2024 and 2023

		Unit: NT\$ thousand	
Code		2024	2023
	Cash flows from operating activities		
A10000	Pre-tax profit for the current period	\$ 833,058	\$ 1,146,401
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation	41,667	38,961
A20200	Amortization	17,779	32,628
A20300	Gain on reversal of expected credit losses	( 824)	( 2,199)
A20900	Financial cost	61,703	46,816
A21200	Interest income	( 11,770)	( 10,262)
A21300	Dividend income	( 31,920)	( 59,200)
A21900	Cost of employee stock options	17,466	10,680
A22400	Share of profit from equity-accounted subsidiaries	( 250,017)	( 320,085)
A22500	Loss from property, plant and equipment scrapped	41	-
A23700	Loss for market price decline and obsolete inventory	12,558	10,400
A23900	(Realized) unrealized gain on transactions with subsidiaries	( 74,135)	123,660
A24100	Unrealized foreign exchange losses	970	2,968
A29900	Gain on lease amendment	-	( 3)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	4,500	( 2,745)
A31150	Notes and accounts receivable	33,603	( 27,359)
A31160	Accounts receivable – affiliated parties	( 50,397)	35,552
A31180	Other receivables	( 5,795)	2,831
A31190	Other receivables – affiliated parties	2,112	1,458
A31200	Inventory	20,061	79,724
A31240	Other current assets	( 7,044)	( 2,296)
A32110	Financial liabilities held for trading	330	( 1,984)
A32150	Accounts payable	( 110,932)	( 130,440)
A32160	Accounts payable – affiliated parties	156,047	10,700
A32180	Other payables	( 56,105)	8,054
A32190	Other payables – affiliated parties	1,109	3,462
A32230	Other current liabilities	48,949	( 13,439)
A32240	Net defined benefit liability	76	85
A32990	Other non-current liabilities	17,091	( 3,792)
A33000	Cash inflows from operating activities	670,181	980,576

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Code		2024	2023
A33100	Interest received	\$ 11,827	\$ 10,067
A33500	Income tax paid	( 176,055)	( 214,895)
AAAA	Net cash flows from operating activities	<u>505,953</u>	<u>775,748</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive incomes	( 93,834)	-
B01800	Established and increased capital for equity-accounted subsidiaries	-	( 499,417)
B02200	Net cash outflow for acquisition of subsidiary (Note 24)	( 2,771,997)	-
B02400	Return of share capital due to capital reduction of subsidiaries	-	4,270
B02700	Purchase of property, plant and equipment	( 13,052)	( 8,465)
B03700	Payment of refundable deposits	-	( 2,323)
B03800	Refund of refundable deposits	-	191
B04300	Loaning of funds to subsidiaries	( 238,842)	( 8,360)
B04400	Repayment for lending of capital to related party	8,635	223,808
B04500	Purchase of intangible assets	( 20,472)	( 19,410)
B07100	Increase in equipment prepayments	( 15,580)	( 8,800)
B07600	Dividends received	<u>120,424</u>	<u>59,200</u>
BBBB	Net cash outflows from investing activities	( <u>3,024,718</u> )	( <u>259,306</u> )
	Cash flows from financing activities		
C00100	Increase (decrease) in net short-term loans	1,162,149	( 192,618)
C01600	Borrowing of long-term loans	2,232,203	300,000
C01700	Repayment of long-term loans	( 300,000)	( 320,000)
C03000	Return of guarantee deposits received	( 20)	-
C03700	Financing from subsidiary	64,005	-
C04020	Repayment of lease principals	( 12,519)	( 8,494)
C04500	Cash dividends paid	( 612,854)	( 552,785)
C04800	Exercise of employee stock options	31,188	53,181
C05600	Interest paid	( <u>58,063</u> )	( <u>44,411</u> )
CCCC	Net cash inflow (outflow) from financing activities	<u>2,506,089</u>	( <u>765,127</u> )
DDDD	Currency impact on cash and cash equivalents	<u>7,679</u>	( <u>6,354</u> )
EEEE	Net decrease in cash and cash equivalents	( 4,997)	( 255,039)
E00100	Cash and cash equivalents at the beginning of the year	<u>578,606</u>	<u>833,645</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 573,609</u>	<u>\$ 578,606</u>

The notes are an integral part of these parent company only financial statements.  
(Please refer to the audit report issued by Deloitte Taiwan on March 14, 2025.)

Chairman: Wang Hsing Lei    Chief Executive Officer: Chen Ming-Yi    Chief Accounting Officer: Chen Yen-Han

## **Declaration Concerning the Consolidated Financial Statements of Affiliated Enterprises**

### 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 2024 (from January 1 to December 31, 2024). 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 14, 2025



## **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, 2024 and December 31, 2023; the consolidated incomes statement from January 1 to December 31, 2024 and from January 1 to December 31, 2023; the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to December 31, 2024 and from January 1 to December 31, 2023 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, 2024 and 2023, consolidated financial performance from January 1 to December 31, 2024 and 2023 and consolidated cash flows from January 1 to December 31, 2024 and 2023.

### **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 Matters**

Key Audit Matters are matters that we considered to be the most important, based on professional judgment, when auditing the 2024 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 Matters concerning the 2024 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, and the control over MGN sp. z o.o. in June 2023. Through the above-mentioned business combination transactions, the Company acquired Printronix's industrial printer business (hereinafter referred to as the "printer business group"), the label paper business - DLS brand and the label business - MGN brand. The Group recognized the transaction in the consolidated financial statements for the year, and the amount of which is 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.

When assessing whether goodwill is impaired, we performed the following audit procedures based on the significant estimates and assumptions used in the future cash flow and weighted average cost of capital:

1. Obtain the goodwill impairment test evaluation report issued by the evaluation experts commissioned by management, to understand and evaluate the reasonableness of the recoverable amount calculated by the evaluation model.
2. Assumptions used in the evaluation model include sales growth rate, profit rate, weighted average cost of capital (including interest rate without risk, volatility and risk premium), and other factors such as the Company's operating conditions, industry conditions and future prospects, etc. The reasonableness of the goodwill impairment test evaluation report is comprehensively evaluated.

Identification and evaluation of tangible assets and intangible assets acquired from business combination

In June 2023, the Group acquired 100% of the equity of MGN sp. Z o.o. and obtained control over it with a price of PLN 48,200 thousand. In 2024, the fair value of the net identifiable assets and goodwill were measured based on the acquisition price. The intangible assets generated from

the acquisition, including customer relations of NT\$217,471 thousand and goodwill of NT\$192,465 thousand, are material to the consolidated financial statements.

The determination of the consideration for the acquisition of the equity interest from the business combination transaction, the reasonableness of the purchase price allocation, and the fair value of the net assets acquired and the intangible assets and goodwill on the acquisition date are based on the appraisal report issued by external experts commissioned by management. The evaluation methods and assumptions adopted involve significant management estimates and judgments.

The main audit procedures performed by us are as follows:

1. The Board of Directors minutes and the reasonableness of the transaction price are obtained to review whether the transaction is executed in accordance with the "Procedures for Acquisition or Disposal of Assets" and related regulations;
2. Review the equity acquisition contract and verify the certificate of acquisition price to confirm and verify the acquisition price of the equity transaction.
3. Obtain the appraisal report issued by the appraisal experts commissioned by management, and assess the competence and independence of external independent appraisers;
4. Review the expected financial information used by management to prepare the appraisal report for the allocation of acquisition price, and compare with the Company's historical financial information and market industry expectations in the future to assess the reasonableness of the main assumptions (including sales growth rate, gross margin and operating margin).
5. Assess the evaluation model and key assumptions used in the appraisal report for the acquisition price allocation, including the useful life of intangible assets, the weighted average cost of capital (including the interest rate of risk-free return on capital, volatility and equity market risk return), and the Company's operating conditions, industry conditions and future prospects, to comprehensively assess the reasonableness of the above-mentioned acquisition price allocation assessment report.

### **Emphasis of Matter**

As described in Note 14 to the consolidated financial statements, TSC Auto ID Technology Group acquired 100% of ownership of MGN sp. z o.o. on June 12, 2023 and obtained the valuation report in Q2 of 2024. Therefore, TSC Auto ID Technology Group has adjusted the original accounting treatment and provisional amount of MGN sp. z o.o. from the date of acquisition based on the valuation report and has restated the information in the comparison period.

## **Other Matters**

As narrated in Note 11 of the consolidated financial statements, amongst the subsidiaries presented in the 2024 and 2023 consolidated financial statements of the 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 37.00% and 22.47% of the total consolidated assets as of December 31, 2024 and 2023 respectively; The operating revenues of the subsidiaries accounted for 45.68% and 39.51% of the consolidated operating revenues in 2024 and 2023 respectively, and their total comprehensive income accounted for 121.81% and 11.15% of the total consolidated comprehensive income respectively.

TSC Auto ID Technology Co., Ltd. has prepared standalone financial statements for 2024 and 2023, 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 Matters after communicating with the governing body regarding the 2024 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 14, 2025

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

## Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Asset	December 31, 2024		December 31, 2023 (After measurement period adjustment)	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	\$ 1,822,879	14	\$ 1,065,550	12
1110	Financial assets at fair value through profit or loss (Note 7)	43	-	4,543	-
1170	Notes and accounts receivable, net (Notes 9, 29)	1,788,945	14	1,306,353	15
1200	Other receivables (Note 29)	57,166	-	31,482	-
130X	Inventory (Note 10)	2,010,639	16	1,493,841	17
1410	Prepayments	196,718	2	46,640	-
1470	Other current assets (Note 16)	72,109	1	13,478	-
11XX	Total current assets	<u>5,948,499</u>	<u>47</u>	<u>3,961,887</u>	<u>44</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (Note 8)	849,072	7	1,354,200	15
1600	Property, plant and equipment (Note 12 and 30)	1,442,391	11	1,276,149	14
1755	Right-of-use assets (Note 13)	678,641	5	148,301	2
1805	Goodwill (Note 14)	1,945,645	15	1,261,280	14
1821	Other intangible assets (Note 15)	1,073,007	9	418,727	5
1840	Deferred income tax assets (Note 23)	668,750	5	433,697	5
1990	Other non-current assets (Note 16)	99,858	1	100,862	1
15XX	Total non-current assets	<u>6,757,364</u>	<u>53</u>	<u>4,993,216</u>	<u>56</u>
1XXX	Total assets	<u>\$ 12,705,863</u>	<u>100</u>	<u>\$ 8,955,103</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note 17)	\$ 1,841,636	14	\$ 671,395	7
2120	Financial liabilities at fair value through profit or loss (Note 7)	69,261	-	19,674	-
2170	Accounts payable (Note 29)	709,006	6	691,240	8
2200	Other payables (Notes 18, 29)	482,293	4	494,198	6
2230	Income tax liability during the period	91,505	1	94,966	1
2250	Liability reserve - current	18,705	-	6,595	-
2280	Lease liability (Note 13)	120,939	1	87,535	1
2320	Long-term liabilities due within one year (Note 17)	207,442	2	8,875	-
2399	Other current liabilities	293,401	2	119,110	1
21XX	Total current liabilities	<u>3,834,188</u>	<u>30</u>	<u>2,193,588</u>	<u>24</u>
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss (Note 7)	26,784	-	54,521	1
2540	Long-term loans (Note 17)	2,335,770	18	611,154	7
2570	Deferred income tax liabilities (Note 23)	762,850	6	522,111	6
2580	Lease liability (Note 13)	567,344	5	49,622	1
2640	Net defined benefit liability (Note 19)	15,431	-	16,842	-
2670	Other non-current liabilities	62,217	1	45,994	-
25XX	Total non-current liabilities	<u>3,770,396</u>	<u>30</u>	<u>1,300,244</u>	<u>15</u>
2XXX	Total liabilities	<u>7,604,584</u>	<u>60</u>	<u>3,493,832</u>	<u>39</u>
	Total equity (Note 20)				
	Equity attributable to owners of the parent company				
3110	Ordinary share capital	473,791	4	471,406	5
3200	Capital surplus	722,280	5	676,011	8
	Retained earnings				
3310	Legal reserve	862,984	7	770,477	9
3320	Special reserve	8,597	-	8,597	-
3350	Unappropriated earnings	2,723,957	21	2,770,511	31
3300	Total retained earnings	<u>3,595,538</u>	<u>28</u>	<u>3,549,585</u>	<u>40</u>
3400	Other equity	234,184	2	764,269	8
31XX	Total equity of the parent company	<u>5,025,793</u>	<u>39</u>	<u>5,461,271</u>	<u>61</u>
36XX	Non-controlling interest	75,486	1	-	-
3XXX	Total equity	<u>5,101,279</u>	<u>40</u>	<u>5,461,271</u>	<u>61</u>
	Total liabilities and equity	<u>\$ 12,705,863</u>	<u>100</u>	<u>\$ 8,955,103</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 14, 2025.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Chen Yen-Han

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

Consolidated Comprehensive Income Statement

January 1 to December 31, 2024 and 2023

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

Code		2024		2023	
		Amount	%	Amount	%
	Operating revenue (Notes 21, 29, and 33)				
4110	Revenues	\$ 8,798,132	100	\$ 8,351,762	100
	Operating costs (Notes 10, 21, 29)				
5110	Cost of goods sold	<u>6,062,972</u>	<u>69</u>	<u>5,544,541</u>	<u>67</u>
5900	Gross profits	<u>2,735,160</u>	<u>31</u>	<u>2,807,221</u>	<u>33</u>
	Operating expenses (Notes 9, 21, 29)				
6100	Sales & marketing expenses	973,709	11	819,694	10
6200	Administrative expenses	540,203	6	550,095	6
6300	R&D expenses	<u>304,582</u>	<u>3</u>	<u>240,833</u>	<u>3</u>
6000	Total operating expenses	<u>1,818,494</u>	<u>20</u>	<u>1,610,622</u>	<u>19</u>
6900	Operating profits	<u>916,666</u>	<u>11</u>	<u>1,196,599</u>	<u>14</u>
	Non-operating incomes and expenses (Note 21)				
7100	Interest income	16,983	-	9,944	-
7190	Other incomes	62,874	1	84,253	1
7020	Other gains and losses	31,607	-	25,163	1
7050	Financial cost	( <u>93,719</u> )	( <u>1</u> )	( <u>59,174</u> )	( <u>1</u> )
7000	Total non-operating incomes and expenses	<u>17,745</u>	<u>-</u>	<u>60,186</u>	<u>1</u>
7900	Profits before tax	934,411	11	1,256,785	15
7950	Income tax expenses (Note 23)	<u>262,195</u>	<u>3</u>	<u>329,912</u>	<u>4</u>
8200	Current net income	<u>672,216</u>	<u>8</u>	<u>926,873</u>	<u>11</u>

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Code		2024		2023	
		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)	( \$ 11,603 )	-	( \$ 1,803 )	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive incomes (Note 20)	( <u>598,962</u> )	( <u>7</u> )	<u>256,040</u>	<u>3</u>
		( <u>610,565</u> )	( <u>7</u> )	<u>254,237</u>	<u>3</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)	82,816	1	22,950	-
8399	Income tax components that may be reclassified (Note 23)	( <u>17,219</u> )	<u>-</u>	( <u>4,590</u> )	<u>-</u>
		<u>65,597</u>	<u>1</u>	<u>18,360</u>	<u>-</u>
8300	Other comprehensive income for the year (net of tax)	( <u>544,968</u> )	( <u>6</u> )	<u>272,597</u>	<u>3</u>
8500	Total comprehensive income for the year	<u>\$ 127,248</u>	<u>2</u>	<u>\$ 1,199,470</u>	<u>14</u>
	Net income attributable to:				
8610	Shareholders of the Company	<u>\$ 669,957</u>	<u>8</u>	<u>\$ 926,873</u>	<u>11</u>
8620	Non-controlling interest	<u>\$ 2,259</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
	Total comprehensive income attributable to:				
8710	Shareholders of the Company	<u>\$ 128,722</u>	<u>2</u>	<u>\$ 1,199,470</u>	<u>14</u>
8720	Non-controlling interest	( <u>\$ 1,474</u> )	<u>-</u>	<u>\$ -</u>	<u>-</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 14.19</u>		<u>\$ 19.76</u>	
9810	Diluted	<u>\$ 14.05</u>		<u>\$ 19.50</u>	

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

(Please refer to the audit report issued by Deloitte Taiwan on March 14, 2025.)

Chairman: Wang Hsing Lei    Chief Executive Officer: Chen Ming-Yi    Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Consolidated Statement of Changes in equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand unless otherwise indicated

		Equity attributable to owners of the parent company							Other equity					
Code		Share capital		Retained earnings					Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity of the parent company	Non-controlling interest	Total equity
		No. of shares (thousand shares)	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total						
A1	Balance on January 1, 2023	42,519	\$ 425,189	\$ 615,845	\$ 673,504	\$ 8,597	\$ 2,537,721	\$ 3,219,822	( \$ 102,247 )	\$ 592,116	\$ 489,869	\$ 4,750,725	\$ -	\$ 4,750,725
G1	Exercise of employee stock options	370	3,695	49,486	-	-	-	-	-	-	-	53,181	-	53,181
	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 )	-	( 552,785 )
B9	Stock dividends to the company's shareholders	4,252	42,522	-	-	-	( 42,522 )	( 42,522 )	-	-	-	-	-	-
D1	2023 net income	-	-	-	-	-	926,873	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	-	272,597
D5	Total comprehensive income of 2023	-	-	-	-	-	925,070	925,070	18,360	256,040	274,400	1,199,470	-	1,199,470
N1	Share-based compensation – employee stock options (Note 25)	-	-	10,680	-	-	-	-	-	-	-	10,680	-	10,680
Z1	Balance on December 31, 2023	47,141	471,406	676,011	770,477	8,597	2,770,511	3,549,585	( 83,887 )	848,156	764,269	5,461,271	-	5,461,271
G1	Exercise of employee stock options	238	2,385	28,803	-	-	-	-	-	-	-	31,188	-	31,188
	Appropriation and distribution of 2023 earnings													
B1	Legal reserve	-	-	-	92,507	-	( 92,507 )	-	-	-	-	-	-	-
B5	Cash dividends to the company's shareholders	-	-	-	-	-	( 612,854 )	( 612,854 )	-	-	-	( 612,854 )	-	( 612,854 )
D1	2024 net income	-	-	-	-	-	669,957	669,957	-	-	-	669,957	2,259	672,216
D3	2024 other comprehensive income - after tax	-	-	-	-	-	( 11,150 )	( 11,150 )	68,877	( 598,962 )	( 530,085 )	( 541,235 )	( 3,733 )	( 544,968 )
D5	Total comprehensive income of 2024	-	-	-	-	-	658,807	658,807	68,877	( 598,962 )	( 530,085 )	128,722	( 1,474 )	127,248
O1	Non-controlling interests acquired from business combination (Note 26)	-	-	-	-	-	-	-	-	-	-	-	76,960	76,960
N1	Share-based compensation – employee stock options (Note 25)	-	-	17,466	-	-	-	-	-	-	-	17,466	-	17,466
Z1	Balance on December 31, 2024	47,379	\$ 473,791	\$ 722,280	\$ 862,984	\$ 8,597	\$ 2,723,957	\$ 3,595,538	( \$ 15,010 )	\$ 249,194	\$ 234,184	\$ 5,025,793	\$ 75,486	\$ 5,101,279

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

(Please refer to the audit report issued by Deloitte Taiwan on March 14, 2025.)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Chen Yen-Han

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

## Consolidated Statement of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Code		2024	2023 (After measurement period adjustment)
	Cash flows from operating activities		
A10000	Pre-tax profit for the current period	\$ 934,411	\$ 1,256,785
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation	270,417	222,217
A20200	Amortization	76,379	75,411
A20300	Expected credit impairment loss (reversal gain)	( 8,992 )	7,450
A20900	Financial cost	93,719	59,174
A21200	Interest income	( 16,983 )	( 9,944 )
A21300	Dividend income	( 31,920 )	( 59,200 )
A21900	Cost of employee stock options	17,466	10,680
A22500	Loss (gain) from disposal and scrap of property, plant and equipment	1,500	( 853 )
A22800	Reclassification of intangible assets to losses	20	-
A23700	Loss for market price decline and obsolete inventory	28,807	17,636
A24100	Unrealized foreign exchange losses	534	2,968
A29900	Loss (gain) from lease modification	7	( 19 )
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	4,500	( 2,745 )
A31150	Notes and accounts receivable	2,053	101,567
A31180	Other receivables	13,278	23,572
A31200	Inventory	229,448	186,894
A31230	Prepayments	( 89,879 )	28,015
A31240	Other current assets	8,683	594
A31280	Net defined benefit assets	( 18,978 )	-
A31990	Other non-current assets	4,000	( 472 )
A32110	Financial liabilities held for trading	21,689	1,999
A32150	Accounts payable	( 142,162 )	( 119,117 )
A32180	Other payables	( 90,017 )	( 28,984 )
A32230	Other current liabilities	45,978	( 25,509 )
A32240	Net defined benefit liability	( 491 )	85
A32990	Other non-current liabilities	9,465	( 27,808 )
A33000	Cash inflows from operating activities	1,362,932	1,720,396

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Code		2024	2023(After measurement period adjustment)
A33100	Interest received	\$ 17,040	\$ 9,749
A33500	Income tax paid	( 247,580)	( 328,279)
AAAA	Net cash flows from operating activities	<u>1,132,392</u>	<u>1,401,866</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive incomes	( 93,834)	-
B02200	Net cash outflow for acquisition of subsidiary (Note 26)	( 2,370,265)	( 358,490)
B02700	Purchase of property, plant and equipment	( 105,167)	( 147,223)
B02800	Proceeds from sale of equipment	857	979
B03700	Payment of refundable deposits	( 892)	( 2,544)
B03800	Refund of refundable deposits	3,070	205
B04500	Purchase of intangible assets	( 24,333)	( 22,537)
B06500	Increase in other financial asset	-	( 44,660)
B07100	Increase in equipment prepayments	( 133,019)	( 72,423)
B07600	Dividends received	<u>31,920</u>	<u>59,200</u>
BBBB	Net cash outflows from investing activities	( <u>2,691,663</u> )	( <u>587,493</u> )
	Cash flows from financing activities		
C00100	Increase (decrease) in net short-term loans	1,168,160	( 201,201)
C01600	Borrowing of long-term loans	2,232,203	300,000
C01700	Repayment of long-term loans	( 308,899)	( 327,473)
C03100	Return of guarantee deposits received	( 89)	( 219)
C04020	Repayment of lease principals	( 104,302)	( 111,973)
C04500	Cash dividends paid	( 612,854)	( 552,785)
C04800	Exercise of employee stock options	31,188	53,181
C05600	Interest paid	( <u>89,052</u> )	( <u>56,769</u> )
CCCC	Net cash inflow (outflow) from financing activities	<u>2,316,355</u>	( <u>897,239</u> )
DDDD	Currency impact on cash and cash equivalents	<u>245</u>	<u>6,370</u>
EEEE	Net increase (decrease) in cash and cash equivalents	757,329	( 76,496)
E00100	Cash and cash equivalents at the beginning of the year	<u>1,065,550</u>	<u>1,142,046</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,822,879</u>	<u>\$ 1,065,550</u>

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

(Please refer to the audit report issued by Deloitte Taiwan on March 14, 2025.)

Chairman: Wang Hsing Lei    Chief Executive Officer: Chen Ming-Yi    Chief Accounting Officer: Chen Yen-Han

## TSC Auto ID Technology Co., Ltd.

## 2024 Earnings Distribution Table

Unit: NT\$

Item	Amount	
Unappropriated retained earnings for previous year		2,065,149,960
2024 net income	669,956,935	
Remeasurement of defined benefit plan recognized in retained earnings	1,486,571	
The share of other comprehensive income of subsidiaries, associates, and joint ventures recognized using the equity method is recognized in retained earnings.	(12,636,289)	
Adjusted unappropriated retained earnings after net income plus other items calculated into for the period		658,807,217
10% legal reserve		(65,880,722)
Earnings available for distribution for the period		2,658,076,455
Less: Distribution Items:		
Bonus to shareholders - cash dividends (NT\$10 per share)	(474,481,340)	
Unappropriated retained earnings at the end of the period		2,183,595,115

Note 1: The shareholders' bonus is distributed from the retained earnings of 2024.

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 47,448,134 shares outstanding as of March 6, 2025.

Chairman:  
Wang Hsing Lei

General Manager:  
Chen Ming-Yi

Chief Accounting Officer:  
Chen Yen-Han

**Comparison Table of Amendments to the 「Articles of Incorporation」**

Articles	After Revision	Existing Provision	Explanation
15-1	After the Company has been publicly issued, the number of independent directors shall not be less than one- <b>third</b> 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.	After the Company has been publicly issued, the number of Independent Directors shall not be less than <b>two and shall not be less than one-fifth</b> 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.	Revised in accordance with the Taipei Exchange Directions for "Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEX Listed Companies".
25	In case of profits during the year, the Company shall allocate at least 2% <b>to 10%</b> of the profits as employees' remuneration, <b>with at least 1% allocated to the grassroots employees</b> . 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	In case of profits during the year, <b>the Company shall allocate at least 2% but no more than 10%</b> 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	Pursuant to the announcement of the Financial Supervisory Commission on August 7, 113, the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act was added.

Articles	After Revision	Existing Provision	Explanation
	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.	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.	
27	<p>This Article of Incorporation was established on March 7, 2007.</p> <p>The first amendment was made on April 26, 2007.</p> <p>The second amendment was made on May 21, 2007.</p> <p>The third amendment was made on June 13, 2007.</p> <p>The fourth amendment was made on May 15, 2008.</p> <p>The fifth amendment was made on June 16, 2009.</p> <p>The sixth amendment was made on June 17, 2010.</p> <p>The seventh amendment was made on June 19, 2012.</p> <p>The eighth amendment was made on June 13, 2013.</p> <p>The ninth amendment was made on June 7, 2016.</p> <p>The tenth amendment was made on June 8, 2017.</p> <p>The eleventh amendment was made on June 13, 2019.</p> <p>The twelfth amendment was made on July 23, 2021.</p> <p>The thirteenth amendment was made on June 17, 2022.</p> <p>The fourteenth amendment was made on June 16, 2023.</p> <p><b><u>The fifteenth amendment was made on June 17, 2025.</u></b></p>	<p>This Article of Incorporation was established on March 7, 2007.</p> <p>The first amendment was made on April 26, 2007.</p> <p>The second amendment was made on May 21, 2007.</p> <p>The third amendment was made on June 13, 2007.</p> <p>The fourth amendment was made on May 15, 2008.</p> <p>The fifth amendment was made on June 16, 2009.</p> <p>The sixth amendment was made on June 17, 2010.</p> <p>The seventh amendment was made on June 19, 2012.</p> <p>The eighth amendment was made on June 13, 2013.</p> <p>The ninth amendment was made on June 7, 2016.</p> <p>The tenth amendment was made on June 8, 2017.</p> <p>The eleventh amendment was made on June 13, 2019.</p> <p>The twelfth amendment was made on July 23, 2021.</p> <p>The thirteenth amendment was made on June 17, 2022.</p> <p>The fourteenth amendment was made on June 16, 2024.</p>	Date of amendment added

## Comparison Table of Amendments to the 「Procedures for Lending Funds to Other Parties」

Articles	After Revision	Existing Provision	Explanation
2	<p>Counterparty of loaning of funds (hereinafter referred to as the “borrower”)</p> <p><b><u>The Company’s funds may not be loaned to any shareholder or any other person except in the following circumstances.</u></b></p> <p>(1) Involved in business transactions with the Company.</p> <p>(2) Short-term financing facility from the Company is necessary, provided that the amount of such financing facility shall not exceed 40% of the <b><u>Company’s</u></b> net worth.</p> <p>The term “short-term” as used in the preceding paragraph means one year, or where the Company’s operating cycle exceeds one year, one operating cycle. The term “financing amount” as used herein means the cumulative balance of the Company’s short-term financing.</p>	<p>Counterparty of loaning of funds (hereinafter referred to as the “borrower”)</p> <p>(1) Involved in business transactions with the Company.</p> <p>(2) Short-term financing facility from the Company is necessary, provided that the amount of such financing facility shall not exceed 40% of the <b><u>lender’s</u></b> net worth.</p> <p>The term “short-term” as used in the preceding paragraph means one year, or where the Company’s operating cycle exceeds one year, one operating cycle. The term “financing amount” as used herein means the cumulative balance of the Company’s short-term financing.</p>	<p>Revised in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies".</p>
4	<p>The total amount of loans and the maximum amount for each borrower</p> <p>The limit of loans by the Company to others shall be no more than 40% of the Company’s net worth. The maximum amount for each borrower is specified as following:</p> <p>(1) For those that have business transactions with the Company, the individual loan amount is limited to 100% of the sales or</p>	<p>The total amount of loans and the maximum amount for each borrower</p> <p>The limit of loans by the Company to others shall be no more than 40% of the Company’s net worth. The maximum amount for each borrower is specified as following:</p> <p>(1) For those that have business transactions with the Company, the individual loan amount is limited to 100% of the</p>	<p>Revised in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies".</p>



Articles	After Revision	Existing Provision	Explanation
	<p>purchase value throughout the year.</p> <p>(2) For those with short-term financing needs, the individual loan amount shall be no more than 20% of the Company's net worth.</p> <p>The lending of funds between overseas companies that hold, directly or indirectly, 100% of the voting shares in the Company, or the lending of funds between the Company and an overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, may be free from the restrictions referred to in the preceding paragraph, provided that the total limit, individual counterparty limit and duration of the loans to others may be determined as following:</p> <p>(1) The total limit shall be no more than 40% of the Company's net worth.</p> <p>(2) The limit of individual counterparty shall be no more than 20% of the Company's net worth.</p> <p>(3) The time limit shall be no more than 5 years.</p> <p>The net worth referred to herein shall mean <b><u>the most recent</u></b> balance sheet equity attributable to the owners of the parent company according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>sales or purchase value throughout the year.</p> <p>(2) For those with short-term financing needs, the individual loan amount shall be no more than 20% of the Company's net worth.</p> <p>The lending of funds between overseas companies that hold, directly or indirectly, 100% of the voting shares in the Company, or the lending of funds between the Company and an overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, may be free from the restrictions referred to in the preceding paragraph, provided that the total limit, individual counterparty limit and duration of the loans to others may be determined as following:</p> <p>(1) The total limit shall be no more than 40% of the Company's net worth.</p> <p>(2) The limit of individual counterparty shall be no more than 20% of the Company's net worth.</p> <p>(3) The time limit shall be no more than 5 years.</p> <p>The net worth referred to herein shall mean balance sheet equity attributable to the owners of the parent company according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	
5	<p>Term of loan and calculation of interest</p> <p><b>(1)</b> The term of each loan by the Company shall be no more than one year, <b><u>or where the</u></b></p>	<p>Term of loan and calculation of interest</p> <p>The term of each loan by the Company shall be no more than one year.</p>	<p>The same as above and Increase the number of items.</p>

Articles	After Revision	Existing Provision	Explanation
	<p><b><u>Company's operating cycle exceeds one year, one operating cycle.</u></b></p> <p>(2) The interest rate for the Company's loans to others shall be no lower than the average interest rate for short-term borrowings from financial institutions. If the loan interest is calculated on a monthly basis, the borrower shall pay the interest within five days from the interest payment date as agreed; otherwise, a 10% penalty shall be charged based on the agreed interest rate.</p>	<p>The interest rate for the Company's loans to others shall be no lower than the average interest rate for short-term borrowings from financial institutions. If the loan interest is calculated on a monthly basis, the borrower shall pay the interest within five days from the interest payment date as agreed; otherwise, a 10% penalty shall be charged based on the agreed interest rate.</p>	
12	<p>Information disclosure</p> <p>(1) The Company shall announce and report the balance of loans of the Company and its subsidiaries of the previous month by 10th day of each month.</p> <p>(2) If the balance of the funds loaned by the Company reaches one of the following levels, the Company shall announce and report such event within two days from the date of occurrence. The "date of occurrence" referred to herein shall mean the earliest date of contract signing, <b><u>date of payment</u></b>, dates of the Board of Directors' resolutions, or any other date which verifies the counterparty and monetary amount.</p> <p>1. If the balance of the amount of funds loaned by <b><u>the Company and its subsidiaries</u></b> to others reaches 20% or more of the Company's net worth in the most recent</p>	<p>Information disclosure</p> <p>(1) The Company shall announce and report the balance of loans of the Company and its subsidiaries of the previous month by 10th day of each month.</p> <p>(2) If the balance of the funds loaned by the Company reaches one of the following levels, the Company shall announce and report such event within two days from the date of occurrence. The "date of occurrence" referred to herein shall mean the earliest date of contract signing, dates of the Board of Directors' resolutions, or any other date which verifies the counterparty and monetary amount.</p> <p>1. If the balance of the amount of funds loaned to others reaches 20% or more of the Company's net worth in the most</p>	<p>Revised in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies".</p>

Articles	After Revision	Existing Provision	Explanation
	<p>financial statements.</p> <p>2. If the balance of the amount of funds loaned by <b><u>the Company and its subsidiaries</u></b> to a single enterprise reaches more than 10% of the Company's net worth in its latest financial statements.</p> <p>3. If the amount of new funds loaned by the Company or <b><u>its</u></b> subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth in its latest financial statements.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the subparagraph 3 of the preceding paragraph.</p> <p>The ratio of a subsidiary's loan balance to net worth, as referred to in the preceding paragraph, shall be calculated based on the ratio of the subsidiary's loan balance to the net worth of the Company</p>	<p>recent financial statements.</p> <p>2. If the balance of the amount of funds loaned to a single enterprise reaches more than 10% of the Company's net worth in its latest financial statements.</p> <p>3. If the amount of new funds loaned by the Company or subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the <b><u>pubic</u></b> Company's net worth in its latest financial statements.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the subparagraph 3 of the preceding paragraph.</p> <p>The ratio of a subsidiary's loan balance to net worth, as referred to in the preceding paragraph, shall be calculated based on the ratio of the subsidiary's loan balance to the net worth of the Company.</p>	
14	<p><b><u>In any of the following circumstances, the Company will judge whether it shall be considered as a loan in nature pursuant to the "FAQ about the Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public</u></b></p>	<b><u>None</u></b>	Revised in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements

Articles	After Revision	Existing Provision	Explanation
	<p><u>Companies” of the Securities and Futures Bureau, Financial Supervisory Commission:</u></p> <p>(1) <u>If the Company’s accounts receivable from related parties are overdue for 3 months beyond the normal credit period and the unrecoverable amount exceeds 5% of the Company’s net worth, or if the Company’s accounts receivable from non-related parties are overdue for 3 months beyond the normal credit period and the unrecoverable amount exceeds 2% of the Company’s net worth, it is necessary to report such situation to the Audit Committee and Board of Directors for resolution on whether it shall still be considered a loan in nature. Unless the Company can prove that it has no intention to loan funds (e.g. initiation of a legal action and proposal of specific control measures), it shall be considered a loan in nature.</u></p> <p>(2) <u>Where the Company has reported overdue accounts to the Audit Committee and Board of Directors and the overdue accounts were resolved to not be considered a loan in nature, it is not necessary to report the same transaction to the Audit Committee and Board of Directors for resolution.</u></p> <p><u>Notwithstanding, if it is impossible for the</u></p>		<p>/Guarantees by Public Companies" FAQ and added the article.</p>

Articles	After Revision	Existing Provision	Explanation
	<p><u>Company to execute the control measures or legal actions set forth initially due to changes in circumstances, the transaction shall be still submitted to the Audit Committee and Board of Directors for resolution on whether it shall be considered a loan in nature.</u></p> <p>(3) <u>If accounts other than the Company's accounts receivable, such as "other receivables," "prepayments" and "refundable deposits," which are of a significant amount or special nature, are still overdue for more than three months under the circumstances that the paid amount is not subject to contractual terms and conditions, the paid amount is not commensurate with the obligation set forth in the contract, or the causes of payment extinguish, said requirements shall apply.</u></p> <p>(4) <u>Where said accounts are considered as loans in nature, they shall be announced as required from the date of resolution rendered by the Board of Directors. Meanwhile, as the nature of the accounts is not consistent with the definitions of the original accounting title, the accounts shall be restated into another appropriate accounting title (e.g. other receivables).</u></p> <p>(5) <u>The Company shall formulate rectification plans if the loan balance</u></p>		

Articles	After Revision	Existing Provision	Explanation
	<b><u>exceeds the limit due to changes in circumstances, complete the rectification according to the planned schedule and send the relevant rectification plans to each member of the Audit Committee.</u></b>		
<u>15</u>	<p>The Procedures shall be subject to approval of a majority of the Audit Committee and submitted to the Board of Directors for acknowledgement and then to the shareholders' meeting for approval. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to the Audit Committee and for discussion at the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p> <p>The following is omitted...</p>	<p>The Procedures shall be subject to approval of a majority of the Audit Committee and submitted to the Board of Directors for acknowledgement and then to the shareholders' meeting for approval. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to the Audit Committee and for discussion at the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p> <p>The following is omitted...</p>	The number of articles has been adjusted.

## Appendix 8

### List of Director candidates

Nominee	Shareholder's No.	Name	Educational Background	Work Experience	Name of the government or corporate represented	No. of shares held (Unit: share)	Has already served as an independent director of the Company for three consecutive terms and the reason
Director	2	Wang Shiu Ting	<ul style="list-style-type: none"> <li>Department of Mechanical Engineering, Tatung University</li> </ul>	<ul style="list-style-type: none"> <li>Taiwan Semiconductor Manufacturing Co., Ltd. - Chairman and General Manager</li> <li>TSC Auto ID Technology Co., Ltd. - Chairman, Director and President</li> <li>Texas Instruments Incorporated - Manager</li> </ul>	None	903,826	N/A
Director	488	Wang Hsing Lei	<ul style="list-style-type: none"> <li>MBA, Massachusetts Institute of Technology</li> </ul>	<ul style="list-style-type: none"> <li>Taiwan Semiconductor Manufacturing Co., Ltd. - Corporate Representative (Director)</li> <li>Taiwan Semiconductor Manufacturing Co., Ltd. - Vice General Manager</li> <li>TSC Auto ID Technology Co., Ltd. - Chairman and General Manager</li> <li>McKinsey &amp; Company - Consultant</li> </ul>	None	339,583	
Director	1	Luo Yue Gui	<ul style="list-style-type: none"> <li>Department of Accounting and Statistics, Open College Affiliated with National Taipei College of Business</li> </ul>	<ul style="list-style-type: none"> <li>Taiwan Semiconductor Manufacturing Co., Ltd. - Finance Department Senior Manager</li> <li>TSC Auto ID Technology Co., Ltd. - Corporate Representative (Director)</li> <li>Taiwan Songwang Electronics Co., Ltd. - Bonded Warehouse Officer</li> </ul>	Taiwan Semiconductor Manufacturing Co., Ltd.	16,995,230	

Nominee	Shareholder's No.	Name	Educational Background	Work Experience	Name of the government or corporate represented	No. of shares held (Unit: share)	Has already served as an independent director of the Company for three consecutive terms and the reason
				<ul style="list-style-type: none"> <li>Kuender &amp; Co., Ltd. - Finance and Accounting Officer</li> </ul>			
Director	21142	Chen Ming Yi	<ul style="list-style-type: none"> <li>Department of Mechanical Engineering, National Kaohsiung University of Science and Technology</li> </ul>	<ul style="list-style-type: none"> <li>TSC Auto ID Technology Co., Ltd. - Director</li> <li>TSC Auto ID Technology Co., Ltd. - General Manager and Executive Vice General Manager</li> <li>Dell (Taiwan) Co., Ltd. - Assistant General Manager of Engineering</li> </ul>	None	50,000	
Independent Director	-	Ma Chia Ying	<ul style="list-style-type: none"> <li>Ph.D., Lehigh University College of Business and Economics, USA</li> <li>Master of Accounting, Utah State University, USA</li> <li>Bachelor of Accounting, National Chengchi University</li> </ul>	<ul style="list-style-type: none"> <li>Soochow University - Professor at the Accounting Department</li> <li>National Chengchi University - Adjunct Professor at the Department of Public Finance</li> <li>National Chiao Tung University College of Biological Science and Technology - Adjunct Professor</li> <li>World Bank, Department of Regional Economy - Finance and economics consultant</li> <li>Lehigh University Computing Center - Senior Technical Consultant</li> <li>Martin Dell Private Enterprise Research Center - Researcher</li> <li>IDEAS System - Researcher</li> <li>PwC Taiwan - Senior Auditor</li> <li>TSC Auto ID Technology Co., Ltd. - Independent Director</li> </ul>	None	0	<ol style="list-style-type: none"> <li>Considering that Mr. Ma Chia Ying has experience in accounting, management and corporate governance, and can play a role as a professional and provide advice in the exercise of his duties, he is still listed as one of the candidates for election to the Independent Director.</li> <li>During his tenure as an Independent Director, Mr. Ma Chia Ying made many suggestions to the operation of the Company and played a</li> </ol>



Nominee	Shareholder's No.	Name	Educational Background	Work Experience	Name of the government or corporate represented	No. of shares held (Unit: share)	Has already served as an independent director of the Company for three consecutive terms and the reason
				<ul style="list-style-type: none"> <li>Medeon Biodesign, Inc. - Independent Director</li> <li>RichWave Technology Corporation - Independent Director</li> <li>Hiyes International Co Ltd. - Independent Director</li> <li>Union Insurance Co., Ltd. - Director (Corporate Representative)</li> </ul>			<p>great role in the operation of the Company.</p> <p>3. After evaluation, the candidate will intend to continue to serve.</p>
Independent Director	4062	Lin Tuo Zhi	<ul style="list-style-type: none"> <li>Master of Science in Real Estate Development, Massachusetts Institute of Technology, USA</li> <li>Bachelor of Science in Industrial Engineering &amp; Operations Research, UC Berkeley</li> </ul>	<ul style="list-style-type: none"> <li>TSC Auto ID Technology Co., Ltd. - Independent Director</li> <li>Responsible person of Property Acquisition, Great China Region, Prudential Financial</li> <li>The Carlyle Group Inc.'s Asian Private Equity Investment Business</li> </ul>	None	42,583	N/A
Independent Director	-	Lin Hsin Tien	<ul style="list-style-type: none"> <li>Ph.D., Institute of Energy Science, Kyoto University, Japan</li> <li>Master of Mechanical Engineering, National Taiwan University</li> <li>Bachelor's degree in Mechanical Engineering, National Taiwan University</li> </ul>	<ul style="list-style-type: none"> <li>National Taiwan University - Associate Professor at the Department of Mechanical Engineering,</li> <li>National Cheng Kung University Associate Professor at the Department of Environmental Engineering</li> <li>National Cheng Kung University Assistant Professor at the Department of Environmental Engineering</li> </ul>	None	0	N/A

### Lifting of non-competition restrictions for Directors

Title	Name	Company names and directorship position held concurrently
Director	Wang Shiu Ting	<ul style="list-style-type: none"> <li>• Taiwan Semiconductor Manufacturing Co., Ltd. - Chairman and General Manager</li> <li>• Yangxin Everwell Electronic Co., Ltd. - Chairman (Corporate Representative)</li> <li>• Tianjin Everwell Technology Co., Ltd. - Chairman (Corporate Representative)</li> <li>• EVER ENERGETIC INTERNATIONAL LTD. - Chairman (Corporate Representative)</li> <li>• EVER WINNER INTERNATIONAL CO., LTD. Chairman (Corporate Representative)</li> <li>• SKYRISE INT'L LTD. Chairman (Corporate Representative)</li> </ul>
	Wang Hsing Lei	<ul style="list-style-type: none"> <li>• Taiwan Semiconductor Manufacturing Co., Ltd. Vice General Manager and Director (Corporate Representative)</li> <li>• Tianjin Everwell Technology Co., Ltd. Supervisor (Corporate Representative)</li> <li>• TAIWAN SEMICONDUCTOR JAPAN LTD. Director (Corporate Representative)</li> <li>• Taiwan Semiconductor Europe GmbH Director (Corporate Representative)</li> <li>• BlueBird Inc. Chairman (Corporate Representative)</li> </ul>
	Taiwan Semiconductor Manufacturing Co., Ltd.	<ul style="list-style-type: none"> <li>• Yangxin Everwell Electronic Co., Ltd.</li> <li>• Tianjin Everwell Technology Co., Ltd.</li> <li>• Shanghai Hanke International Trading Co., Ltd</li> <li>• EVER ENERGETIC INTERNATIONAL LTD.</li> <li>• EVER WINNER INTERNATIONAL CO., LTD.</li> <li>• SKYRISE INT'L LTD.</li> <li>• TSC AMERICA, INC.</li> <li>• TAIWAN SEMICONDUCTOR JAPAN LTD.</li> <li>• TAIWAN SEMICONDUCTOR(H.K.) CO., LTD</li> <li>• TAIWAN SEMICONDUCTOR EUROPE GMBH</li> </ul>
	Chen Ming Yi	<ul style="list-style-type: none"> <li>• BlueBird Inc. Director (Corporate Representative)</li> </ul>
Independent Director	Ma Chia Ying	<ul style="list-style-type: none"> <li>• Medeon Biodesign, Inc. - Independent Director</li> <li>• RichWave Technology Corporation - Independent Director</li> </ul>

**Shareholder Meeting Conference Rules**

1. 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.
2. 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.

3. Attendance and voting at shareholders meetings shall be calculated based on numbers of shares.
4. 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.
5. 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.

6. 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.

7. 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.
8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

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

14. 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.
15. 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.

16. 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.

17. 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.

18. 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.
19. 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.

20. 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 17, 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.

**Procedures for Election of Directors**

1. In accordance with the provisions of the Company Act and the Articles of Incorporation of this Company, the directors of this Company shall be elected in accordance with the rules specified herein.
2. This Company's directors shall be elected by adopting the candidate nomination system specified in the Company Act and the Company's Articles of Incorporation, and the shareholders shall elect the directors from the list of candidates.

The Company's directors shall be elected through a voting system in which the names of the electors shall be replaced by the attendance numbers printed on the ballots. The ballots shall be prepared by the board of directors. The form and contents of the ballots and the items to be filled in shall be based on the printed ballots, which shall not be added, deleted or altered by the electors. The ballots shall be put into the ballot box designated by the Chairperson.

Except as provided in the preceding paragraph, shareholders may exercise their voting rights by correspondence or electronic means. The method shall be specified in the shareholders meeting notice.

3. In the election of directors of the Company, unless otherwise provided in the Company's Articles of Incorporation, each share will have voting rights in number equal to the directors to be elected, and the board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected and shall distribute them to the shareholders. These ballots may be cast for a single candidate or split among multiple candidates.
4. The non-independent directors of the Company shall be elected by the shareholders' meeting from among the persons with disposing capacity. Independent directors shall be elected in accordance with the provisions of Article 5 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and the candidates who receive the most votes in accordance with the number of positions provided for in the Company's Articles of Incorporation shall be elected as directors. If the elected director declares that he/she has abstained before submitting the change of registration to the competent authority, the vacancy shall be filled by the person who received the next largest number of votes. In the event two or more candidates receive the same number of votes beyond a quota, the winner shall be determined by drawing lots. One lot may be drawn by the chairperson for each of the absentees.
5. When the board of directors shall prepare the ballots by attendance card numbers. The number of voting rights associated with each ballot shall be specified on the ballots.
6. During the election, the chairperson shall appoint vote inspectors and vote counters to take charge of inspecting and counting the votes.
7. A ballot box shall be provided by the board of directors and shall be kept in public

view by the vote inspector before the vote.

8. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. Voters shall drop the ballots into the ballot box. In the event a legal entity is a shareholder, both the full registered name of the legal entity and the name of its legal representative shall be entered on the ballot. If there are more than one legal representative, the names of the legal representatives should be entered separately.
9. Ballots shall be deemed void under the following conditions:
  - (1) The ballot was not prepared by a person with the right to convene.
  - (2) A blank ballot is placed in the ballot box.
  - (3) The writing on the ballot is blurred that cannot be identified.
  - (4) The candidate whose name is entered in the ballot does not conform to the director candidate list.
  - (5) Other words or marks are entered in addition to the number of voting rights allotted.
10. The ballot box shall be set up by the board of directors for the election of directors and shall be opened by the vote inspector after the vote is completed.
11. The counting of votes will be monitored by the vote inspectors and the results will be announced by the chairperson immediately.
12. The board of directors shall issue notifications to the directors elected.
13. The matters not covered by this Procedure shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.
14. This Procedure and any revision thereof shall become effective after approval at the shareholders' meeting.
15. This Procedure was established on June 13, 2007.
  - (1) The first amendment was made on June 18, 2010.
  - (2) The second amendment was made on June 8, 2017.
  - (3) The third amendment to these Regulations was made on June 18, 2024.



## Appendix 13

### 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 19, 2025, 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 47,490,134 shares

Authorized Number of Shares to be Held by All Directors 3,799,210 shares

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

- II. As of April 19, 2025, the date for suspension of transfer of shares for the Annual General Shareholders' Meeting 2025, the shareholdings of all directors are as follows:

Job Title	Name	No. of shares held
Chairman	Wang Hsing Lei	339,583
Director	Wang Shiu Ting	903,826
Director	Taiwan Semiconductor Co., Ltd. Corporate representative: Luo Yue Gui	16,995,230
Director	Chen Ming-Yi	50,000
Independent Director	Ma Chia Ying	0
Independent Director	Li Chun Chi	0
Independent Director	Lin Tuo Zhi	42,583
Shareholdings of shares held by all directors		18,331,222

**Other explanatory items**

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

- Explanation:
1. 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 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.
  2. The period for accepting the shareholders' proposal for this year's regular shareholders' meeting is from April 2, 2025 to April 14, 2025. The Company has announced the acceptance of the proposal on the Market Observation Post System(MOPS) in accordance with the laws.
  3. The Company did not receive any proposals from shareholders during the aforesaid period of accepting proposals.