

Stock Code: 6123



# Agenda Handbook

2024 Annual General Shareholders' Meeting

Meeting Format: Physical meeting

Meeting Time: 9 a.m., 13 June 2024 (Thursday)

Meeting Location: No. 28, Lane 420, Section 5,  
Chenggong Road, Neihu District, Taipei City  
(Kang Ning Service Apartment)

# GrandTech C.G. Systems Inc.

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**GrandTech C.G. Systems Inc.**  
**2024 General Shareholders' Meeting Agenda**

**A. Meeting Format: Physical meeting**

**B. Meeting Time: 9 a.m., 13 June 2024 (Thursday)**

**C. Meeting Location: No. 28, Lane 420, Section 5, Chenggong Road, Neihu District, Taipei  
City (Kang Ning Service Apartment)**

**D. Meeting Procedure:**

**(A) Meeting Called to Order**

**(B) Chairman's Speech**

**(C) Reported matters**

1. 2023 business report
2. Audit committee report on review of 2023 closing statements
3. Report on 2023 employee and director remuneration distribution
4. Report on 2023 profit distribution through cash dividend
5. Report on 2023 director remuneration

**(D) Approval Matters**

1. Approval of 2023 closing statements

**(E) Discussion Matters**

1. Discussion on removal of non-competition restriction against the Directors
2. Discussion on proposed release of shares by stage in a subsidiary by the Company and its controlled entities/affiliates, waiver of participation in planned capital increase in cash, and sale of shares through proposed private placement for increase in cash in the context of contemplated OTC listing plan of the subsidiary

**(F) Motions**

**(G) Adjournment**

## **【Reported Matters】**

### **A. 2023 General Business Report**

Illustration: Please refer to Appendix A on page 6 of this handbook.

### **B. Audit Committee Report on 2023 Closing Statements**

Illustration: Please refer to Appendix C on page 30 of this handbook.

### **C. Report on 2023 Distribution of Employee and Director Remuneration**

Illustration:

1. The Company has a profit of NT\$285,532,277 in 2023. According to Article 24 of the Company's Articles of Association, after compensating losses, 0.8% of the Company's profit before tax from the current year excluding employee remuneration and director remuneration will be provisioned as director remuneration, totaling NT\$2,399,430, and 4% provisioned as employee remuneration, totaling NT\$11,997,155.
2. Employee and director remuneration will be issued in cash.
3. Employee remuneration is limited to employees of the Company and certain employees of subsidiaries meeting certain conditions. The chairman is granted full authorization to determine the amount to be issued in consideration of seniority, job level, work performance, overall contribution or special merits, as well as to determine which employees are qualified.
4. The amounts of the above resolution are consistent with the provisions made in 2023.

### **D. Report on 2023 Profit Distribution through Cash Dividend**

Illustration: The Company approved a profit distribution of NT\$68,298,373 through cash dividend in the second-quarter board meeting. NT\$1.1 per share was distributed in cash, which was completed on 24 January 2024. The fourth-quarter board meeting approved a profit distribution of NT\$180,059,347 through cash dividend. NT\$2.9 per share will be distributed in cash. The minimum unit of cash dividend distribution is one dollar (ignoring fractions after the decimal point). Non-distributed fractional amounts shall be included as other income of the Company.

### **E. Report on 2023 Director Remuneration**

Illustration:

1. According to Article 24 of the Company's Articles of Association, the directors' remuneration shall be less than 3%. The independent directors shall be allocated a fixed amount of remuneration and shall not participate in profit distribution according to the Distribution of Directors and Functional Committee Members Remuneration Regulations of the Company.
2. Please refer to Appendix E on page 32 of this handbook for director remuneration in 2023.

## **【Approval Matters】**

### **Agenda 1 (Proposed by Board of Directors)**

Subject: 2023 closing statements are submitted for approval.

Illustration:

1. The Company's 2023 parent company only financial reports and consolidated financial reports have been audited by CPAs HSU, HSIN-MIN and YU, CHIEN-RU from Ernst & Young Taiwan. Please refer to Appendix B on page 10 of this handbook.
2. For the above statements audited by the audit committee and the business report and profit distribution statement, please refer to Appendix A and Appendix D on pages 6 and 31 of this handbook
3. Submission for approval.

Resolution:

## **【Discussion Matters】**

### **Agenda 1 (Proposed by Board of Directors)**

Subject : Proposal to remove the non-competition restriction against the Directors.

Illustration:

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. The independent director of the Company, CHEN, WEI-YU, serves on the board of Titan Enterprises Co., Ltd. as an independent director. The independent director, YANG, JUNG-KUNG, serves on the board of LionsBot International Pte. Ltd. as a director.
3. For being an independent director or maintaining an investment relationship or being appointed by a legal person to simultaneously occupy positions in companies with the same or similar business scope of the Company, and participating at the same time in the Company's important business decisions, both cases are classified as behaviors for themselves or on behalf of another person within the scope of the company's business.
4. Submission for decision.

Resolution:

### **Agenda 2 (Proposed by Board of Directors)**

Subject: In accordance with the contemplated OTC listing plan of the subsidiary, the Company and its controlled entities or affiliates may release shares in such subsidiary by stage, waive participation in the planned capital increase in cash, and sell shares through proposed private placement for increase in cash.

Illustration:

1. In order to continue the GrandTech Group transformation project and in accordance with the operating development of the subsidiary GrandTech Cloud Services Inc. (hereinafter "GrandTech Cloud"), attraction and retention of talents, consolidation of internal and external resources of the group, introduction of strategic investors or financial investors and diversification of equity stake in the context of the OTC listing

application plan, it is proposed that, while maintaining control by the Company and its controlled entities or affiliates (hereinafter collectively, the “Company and Affiliates”) over GrandTech Cloud (as illustrated in point 3 below), when GrandTech Cloud issues new shares under capital increase in cash through private placement on one or several occasions and issues new shares (if any) under capital increase in cash on one or several occasions before OTC listing, the Company and Affiliates may waive subscription to all or part of the shares. They may also dispose of part of the shares they hold in the subsidiary with contemplated OTC listing in the following manner on one or several occasions. Details are as follows:

- (1) Issue of new shares under capital increase in cash through private placement: In order to introduce strategic investors, GrandTech Cloud may, in accordance with relevant regulations, issue new shares under capital increase in cash through private placement in one or several occasions. The pricing of private placement and the selection of investors and institutions shall be consulted in accordance with the regulations of the competent authority.
- (2) Waiver of subscription to part of the shares under capital increase in cash: The issue price under GrandTech Cloud’s capital increase in cash shall not be lower than the net worth per share listed in the latest CPA audited or certified financial statements before the board meeting in which the Company resolves to increase its capital in cash. In accordance with the group’s rules about application for OTC listing and against OTC listing in relation to equity diversification by the parent company through the lowering of shareholding percentage in the subsidiaries, other than 10% ~ 15% of the shares issued under capital increase in cash that should be reserved for subscription by employees of GrandTech Cloud and certain employees of its controlled entities or affiliates meeting certain conditions in accordance with the law and full provision for public listing and underwriting in accordance with Article 28-1 of the Securities and Exchange Act and applicable legislations, the Company and Affiliates may waive subscription to shares issued by GrandTech Cloud under capital increase in cash and procure that GrandTech contact specific persons to subscribe to these waived shares. In principle, priority is first given to qualified shareholders of the Company, followed by employees of the Company and Affiliates and strategic investors or financial investors who are helpful to the operating development of GrandTech Cloud, granting them invitations for subscription offers. “Qualified shareholders of the Company” mean shareholders listed in the shareholders register as of the latest share transfer suspension date of the Company when GrandTech Cloud shares are available for subscription. The number of new shares available for subscription under GrandTech Cloud’s capital increase in cash shall be calculated in proportion to the number of shares held by such shareholders (consolidation may be allowed among shareholders of the Company in accordance with applicable rules at the time). However, matters such as the actual issue price under capital increase in cash, contact with specific persons, procedure and schedule, etc. shall be in accordance with the resolution of the board of directors of GrandTech Cloud.
- (3) Disposal of GrandTech Cloud Shares: The price at which the Company and Affiliates dispose of their shares in GrandTech Cloud shall not be lower than the net worth per share listed in the latest CPA audited or certified financial statements of GrandTech Cloud before the board meeting in which each company resolves to dispose of the shares (or the market share at the time, if such shares are already traded by securities dealers). In accordance with the group’s rules about application for OTC listing and against OTC listing in relation to equity

diversification by the parent company through the lowering of shareholding percentage in the subsidiaries, in the selection of transaction counterparts when the Company and Affiliates dispose of the GrandTech Cloud shares they hold, priority should be given to qualified shareholders of the Company as stated above, followed by employees of GrandTech Cloud, employees of the Company and Affiliates and strategic investors or financial investors who are helpful to the operating development of GrandTech in principle. It is proposed that the shareholders meeting authorize the board of directors of the Company to determine matters such as actual transaction price, contact with transaction counterparts, procedure and schedule, etc. based on the market situation and operating status of GrandTech Cloud at the time, subject to compliance with the Company's Procedure for Acquisition or Disposal of Assets at the time.

2. For the share release required when GrandTech Cloud seeks registration for listing on the emerging market or OTC market in the future, the Company and Affiliates shall provide shares for subscription by securities dealers and follow oversubscription and distribution procedures in accordance with applicable legislations and OTC listing related rules. The number of shares provided and the price thereof shall be determined together with the underwriters in accordance with applicable legislations, OTC listing-related rules, market status at the time and the status of each contemplated OTC listing.
3. After the above share release or waiver of subscription under capital increase in cash is completed, consolidated direct or indirect shareholding by the Company and Affiliates over GrandTech Cloud shall remain not less than 55% at the time of OTC listing in order to maintain control and group synergy.
4. It is proposed that the general shareholders' meeting grant authorization to the board of directors to handle the above matters relating to the release of shares or waiver of subscription under capital increase in cash by GrandTech Cloud, etc. with full discretion.
5. Submission for decision.

Resolution:

## **【Motions】**

## **【Adjournment】**

## 【Appendix A】

### GrandTech C.G. Systems Inc.

#### 2023 Business Report

2023 is a challenging year. The global economy is gradually recovering from the pandemic, but climate disasters are becoming more common, regional wars are still ongoing, and geopolitical tensions remain. Inflation in developed economies around the world has slowed down significantly, but interest rates still remain high. The pace of economic recovery in China, which has an enormous impact on the development of the global market, has been slowed down. The declining economy in overall domestic manufacturing such as capital equipment has led private enterprises to adopt a prudent approach to investment. Confronting various challenges to economic growth and development, GrandTech C.G. Systems Inc. adjusted its business policies and strived to reduce the impact of external factors in order to strengthen operating performances.

Here is a further explanation of the overview of business operations in 2023:

#### A. 2023 Operation Overview

##### (A) 2023 Business Plan Implementation Results

With efforts from all of the group's business teams to improve revenue performance and profitability, the consolidated annual revenue was NT\$ 5,210,306,000 in 2023 (the same below), the operating income was NT\$ 361,302,000, and the net income before tax was NT\$ 419,179,000. However, since the implementation of the CFC system in 2023, the income tax has been levied on the overseas companies held by the group, which affected the overall profitability performance. The net income after tax attributed to the parent company was NT\$245,089,000, and the net income after tax per share was NT\$ 3.95.

Relevant data may be referred to for the profit or loss in the same period as below:

Unit: NT\$ Thousand

Item	Year	2023	2022	Increase (Decrease)	YoY Rate increase (decrease)
Operating Revenue		5,210,306	5,286,819	-76,513	-1%
Operating Income		361,302	427,561	-66,259	-15%
Net Income Before Tax		419,179	468,343	-49,164	-10%
Net Income After Tax		313,360	389,412	-76,052	-20%
Net Income After Tax of the Parent company		245,089	320,201	-75,112	-23%
Earnings per Share After Tax (NT\$)		3.95	5.49	-1.54	-28%

Overall, business users and digital printing clients have extended the evaluation time for capital expenditures, which affects the overall revenue and profit performance. The group's strategy development of growth promoted the revenue of cloud services and digital printing services through a new business model, which emphasized the advantages of operator in the group. As a result, it has boosted the proportion of the recurrent income of the group with an annual increase of 14%.



GrandTech focuses on an advantageous growth strategy. We ensure that business clients have achieved Customer Success efficiently with our service by increasing cloud-based value-added operations and digital printing services, continuously expanding the percentage of ARR(Annual Recurring Revenue), promoting the comprehensive growth of business clients, developing service in various business groups with our advantages in order to enhance the Customer Lifetime Value of the Company.

Long-term development and sustainable operations are our goals. The cloud service and digital printing business are the dual engines of growth of the corporate group. We have to increase investment in IaaS infrastructure and related services, as well as optimize the value-added system of cloud services. In addition, we must strengthen the competitiveness of the team, cultivating new markets diligently to meet customer needs, and continuing to network and cooperate with domestic and overseas start-up companies through strategic alliances, expanding the Greater SEA overseas market and building a powerful transnational cloud ecosystem to satisfy client needs.

Printing technology is advancing under the trend of digital intelligence. Digital equipment and intelligence management are gaining influence. Digital intelligence brings the business opportunities of industrial restructuring by way of disruptive innovation. GrandTech is well aware that to seize such great business opportunities, requires commitment to cultivating and choosing the right clients to enable the power of digital printing and the capability of selling products to the global market. It is this way we will expand the business territory of our clients. Revolutionary innovations in smart packaging, labels, and material applications are also required. Moreover, in utilizing the business opportunity of the internet economy driven by one item, one QR code for various packaging, we can therefore provide small amounts, various selections, and mass customization services for the market. We are expanding in the local market in Taiwan at a steady pace, and are heading towards the world across borders with our clients and partners to establish a circle of sustainable management.

The domestic and overseas investment subsidiaries of GrandTech utilize their business advantages and continue to grow. We provide our business clients with cybersecurity-related integration services and solutions that have gained recognition in the international cybersecurity industry, aimed at market expansion in various fields, such as education, telecommunications, and logistics, not only establishing a solid backup force for corporate operations but also providing comprehensive support for client businesses to be successful.

(B) 2023 budget implementation status: The Company is not required to publicize the financial forecast and therefore it is not applicable.

(C) Analysis of financial income and expenses and profitability:

2023

Unit: NT\$ Thousand

Analysis	Item	Parent company	Group
Revenue and expenditure	Operating Income	412,362	5,210,306
	Gross Profit	124,988	827,392
	Net Income	245,089	313,360
Profitability	Return on Assets %	9%	11%
	Return on Equity %	18%	19%
	Profit Before Tax to Capital Stock %	46%	68%
	Operating Income to Capital %	8%	58%
	Net Profit Margin %	59%	6%
	EPS (NT\$)	3.95	3.95

(D) Research and development status: In order to strengthen its service advantages, the group has set up a research and development unit to develop client value-added service platform systems and provide optimized management and analysis, and other additional online services.

## B. 2024 Business Plan

### (A) Business policy

1. Adhere to the core value of “Entrepreneurs' Paradise” to build an entrepreneurial leadership management platform, and continue to strengthen financial support, risk management, mentor consultation, experience and resource sharing, and performance supervision.
2. Introduce “Internet+” and infuse innovative thinking into operations and the management platform to expand the business scale and increase operational performance.
3. Facing the challenges of market changes and industry shifts with the spirit of “Entrepreneurship and Innovation” to establish sustainable development in the company's foundations.
4. Extend the thinking of new clients with an international perspective, market-leading insights, and innovative management models to improve clients' satisfaction and grow with customers, developing a “clients are our partners” business circle and model.

(B) Estimated sales amount: The Company is not required to publicize the financial forecast and therefore it is not applicable.

## C. Future Development Strategy

With a sound financial structure and management, GrandTech promotes cross-regional cooperation plans and pursues maximum business profits. As a pioneering company, we leverage our advantages, focusing on the provision of multi-cloud value-added services and other IaaS and SaaS services to expand the deployment of overseas markets and recruit new start-up businesses as clients with great potential to enter the global market. Choosing the right clients in digital printing empowers the applications of innovative technologies of digital printing in various fields in different ways, enabling us not only to grow rapidly in

the global market but also to establish strategic partnerships with clients and enhance customer loyalty and success. Our aim is also to expand the business scale and increase operational performance. Through external investments and mergers, we are able to introduce potential businesses and services, recruit talent with entrepreneurial characteristics, and increase the proportion of business mergers to actively expand the group's territory and increase profit.

#### **D. Impact of External Competitive Environment, Regulatory Environment, and Overall Economic Environment**

In 2023, although facing the global economic downturn, inflation significantly affects the overall market purchasing power, companies are conservative in their expansion, which may reduce their IT expenditures and postpone project procurement. With the development of AI, blockchain and other technologies, electronic technology has benefited from the AI trend, and the semiconductor market has gradually improved, which may hopefully drive overall economic growth. Enterprises may continue to invest in IT, focusing on maintaining operating energy. National development not only needs to observe the changes in the international political and economic situation but also attaches importance to the subsequent performance of economic growth. In addition to the support of private consumption, we expect that the government will facilitate policies to promote investment, strengthen domestic demand, and assist in the transformation and innovation of business clients. The advantages of these possibilities are evident and can continue to maintain competitiveness in adversity.

Regarding the regulatory environment, the company has completely adopted the IFRS (International Financial Reporting Standards), and complies with the relevant regulations of the competent authority to disclose information in a timely manner.

GrandTech C.G. Systems Inc. sincerely appreciates the long-term support and positive recognition of all shareholders so that we can focus on building a better operating foundation and continue to progress. Although the recovery of the global economy is still difficult and full of challenges, we are committed to our original aim and enthusiasm to implement lean management in group businesses, leading our employees to achieve their goals together, and make great contributions that add value to our shareholders and society. We believe that GrandTech C.G. Systems Inc. will write another new page in 2024 and sincerely ask our shareholders to continue supporting and encouraging us.

Thank you!

Chairman: HSU, CHENG-CHIANG  
General Manager: NGOI, MIEW-HUAT  
Chief Accounting: HUANG, SHU-CHEN

## **【Appendix B】**

### Independent Auditors' Report Translated from Chinese

To GrandTech C.G. Systems Inc.:

#### **Opinion**

We have audited the accompanying consolidated balance sheets of GrandTech C.G. Systems Inc. (the “Company”) and its subsidiaries (the “Group”) as of December 31, 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and their consolidated financial performance and cash flows for the year ended December 31, 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Correctness of timing of sales revenue recognition

The Group recognized net operating revenue in the amount of NT\$5,210,306 thousand, of which revenue from information software and hardware products totaled NT\$3,810,476 thousand, accounting for 73% of the operating revenue. As the revenue from information software and hardware products is diversified, including sales of goods, computer management and printing machine services, information service revenue, etc., with diverse types and different transaction terms, we believe that the correctness of the timing when performance obligations are met is considered material to consolidated financial statements. Therefore, the timing of recognition of revenue from information software and hardware products was determined to be a key audit matter.

Our audit procedures include (but are not limited to):

1. Understanding the revenue recognition method related to the revenue from information software and hardware products, and assessing and testing the internal control related to the relevant revenue recognition of information software and hardware products.
2. Conducting analytical procedures on product-specific gross margin to evaluate the reasonableness of revenue recognition amounts.
3. Conducting tests of details on sales revenue transactions, including randomly selecting and verifying relevant vouchers from the record of sales revenue to ensure that performance obligations have been truly met.
4. Performing sales revenue cut-off tests for the period before and after the date of financial statements, randomly selecting operating revenue transactions, and reviewing the relevant vouchers to confirm that revenue is recognized in the correct period.

We also considered the appropriateness in disclosures of operating revenues in Note 6 to the consolidated financial statements.

### **Other Matter – Making Reference to the Audits of Other Auditors**

We did not audit the financial statements of certain subsidiaries in the consolidated financial statements of the Group and investees accounted for using the equity method, which were audited by other auditors. Therefore, our opinions expressed herein regarding the amounts recorded in the financial statements of certain companies are based solely on the reports of the other auditors. As of December 31, 2023, the aforementioned companies' total assets amounted to NT\$1,105,802 thousand, accounting for 34.08% of the total consolidated assets; their total liabilities amounted to NT\$341,732 thousand, accounting for 21.85% of the total consolidated liabilities; and their operating revenue for the year ended December 31, 2023 amounted to NT\$1,577,404 thousand, accounting for 30.27% of the consolidated net operating revenue.

## **Other Matter – Audits for Previous Periods of Other Auditors**

The consolidated financial statements of the Group for the year ended December 31, 2022 were not audited by us, but were audited by other auditors, and an audit report with unqualified opinions including Other Matter Paragraphs was issued on March 3, 2023.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Group.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Others**

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2023.

/s/Hsu, Hsin-Min

/s/Yu, Chien-Ju

Ernst & Young, Taiwan

March 22, 2024

### Notice to Readers

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

*Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*



English Translation of Consolidated Financial Statements Originally Issued in Chinese  
 GRANDTECH C.G. SYSTEMS INC. AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS  
 As of December 31, 2023 and December 31, 2022  
 (Expressed in thousands of New Taiwan Dollars)

	Notes	As of December 31,			
		2023		2022	
		Amount	%	Amount	%
Assets					
Current assets					
Cash and cash equivalents	4 and 6	\$1,410,632	44	\$1,395,488	43
Financial assets measured at amortized cost, current	4 and 6	107,898	3	60,816	2
Notes receivable, net	4 and 6	37,189	1	19,496	1
Trade receivables, net	4 and 6	608,918	19	599,745	19
Finance lease receivable, net	4 and 6	11,412	-	21,103	1
Other receivables	4 and 6	20,191	1	19,521	1
Inventories, net	4 and 6	147,162	5	247,779	8
Prepayments	5 and 6	197,820	6	142,175	4
Other current assets		5,711	-	6,454	-
Total current assets		<u>2,546,933</u>	<u>79</u>	<u>2,512,577</u>	<u>79</u>
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4 and 6	216,343	6	208,278	6
Financial assets at fair value through other comprehensive income, non-current	4 and 6	8,479	-	8,479	-
Financial assets measured at amortized cost - non-current	4	1,882	-	-	-
Property, plant and equipment	4, 6 and 8	150,441	5	150,164	5
Right-of-use assets	4 and 6	22,167	1	42,602	1
Intangible assets	4 and 6	34,611	1	35,434	1
Deferred tax assets	4 and 6	17,222	1	26,066	1
Other non-current assets	5 and 6	216,612	6	183,828	6
Long-term finance lease receivable, net	4 and 6	29,602	1	41,048	1
Total non-current assets		<u>697,359</u>	<u>21</u>	<u>695,899</u>	<u>21</u>
Total assets		<u>\$3,244,292</u>	<u>100</u>	<u>\$3,208,476</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
**GRANDTECH C.G. SYSTEMS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (Continued)**  
As of December 31, 2023 and December 31, 2022  
(Expressed in thousands of New Taiwan Dollars)

	Notes	As of December 31,			
		2023		2022	
		Amount	%	Amount	%
<b>Liabilities and Equity</b>					
Current liabilities					
Short-term borrowings	6	\$750,000	23	\$580,000	18
Contract liabilities, current	6	71,926	2	95,716	3
Trade payables		464,537	14	468,396	14
Other payables	6	170,183	6	188,536	6
Current tax liabilities	4	43,001	1	25,696	1
Leases liabilities, current	4 and 6	19,253	1	31,661	1
Other current liabilities		22,824	1	19,298	1
Total current liabilities		<u>1,541,724</u>	<u>48</u>	<u>1,409,303</u>	<u>44</u>
Non-current liabilities					
Deferred tax liabilities	4	2,841	-	2,514	-
Leases liabilities, non-current	4 and 6	3,696	-	16,159	1
Other non-current liabilities		15,851	1	5,519	-
Total non-current liabilities		<u>22,388</u>	<u>1</u>	<u>24,192</u>	<u>1</u>
Total liabilities		<u>1,564,112</u>	<u>49</u>	<u>1,433,495</u>	<u>45</u>
Equity					
Equity attributable to owners of the parent					
Share capital	6	620,894	19	620,894	19
Ordinary share		242,213	8	242,213	8
Capital surplus	6				
Retained earnings	6	274,424	8	243,846	8
Legal reserve		43,437	1	144,305	4
Special reserve		242,686	7	228,440	7
Unappropriated retained earnings		(48,334)	(1)	(43,435)	(1)
Other equity		1,375,320	42	1,436,263	45
Total equity attributable to owners of the parent		<u>304,860</u>	<u>9</u>	<u>338,718</u>	<u>10</u>
Non-controlling interests	6	1,680,180	51	1,774,981	55
Total equity		<u>1,680,180</u>	<u>51</u>	<u>1,774,981</u>	<u>55</u>
Total liabilities and equity		<u>\$3,244,292</u>	<u>100</u>	<u>\$3,208,476</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GRANDTECH C.G. SYSTEMS INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Accounts	Notes	For the years ended December 31,			
		2023		2022	
		Amount	%	Amount	%
Operating revenue	4 and 6	\$5,210,306	100	\$5,286,819	100
Operating costs	6	(4,382,914)	(84)	(4,407,993)	(83)
Gross profit		827,392	16	878,826	17
Operating expenses					
Selling expenses	6	(320,053)	(6)	(297,024)	(6)
Administrative expenses	6	(143,300)	(3)	(147,270)	(3)
Research and development expenses	6	(5,505)	-	(4,412)	-
Expected credit gains (losses)	4 and 6	2,768	-	(2,559)	-
Total operating expenses		(466,090)	(9)	(451,265)	(9)
Operating income		361,302	7	427,561	8
Non-operating income and expenses					
Interest income	6	47,300	-	20,500	-
Other income	6	5,419	-	7,099	-
Other gains and losses	6	17,863	-	32,562	1
Financial costs	6	(12,705)	-	(19,379)	-
Total non-operating income and expenses		57,877	-	40,782	1
Profit before income tax		419,179	7	468,343	9
Income tax expense	4 and 6	(105,819)	(1)	(78,931)	(1)
Net income		313,360	6	389,412	8
Other comprehensive income	6				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		-	-	625	-
Unrealized gains (losses) from investment in equity instruments at fair value through other comprehensive income		-	-	(521)	-
Income tax related to the items not to be reclassified to profit or loss		-	-	(126)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of a foreign operation		(6,338)	-	114,984	2
Other comprehensive income, net of tax		(6,338)	-	114,962	2
Total comprehensive income		\$307,022	6	\$504,374	10
Net income attributable to:					
Owners of the parent		\$245,089	5	\$320,201	7
Non-controlling interests		68,271	1	69,211	1
		\$313,360	6	\$389,412	8
Total comprehensive income attributable to:					
Owners of the parent		\$240,190	5	\$421,571	8
Non-controlling interests		66,832	1	82,803	2
		\$307,022	6	\$504,374	10
Basic earnings per share	6				
Basic earnings per share		\$3.95		\$5.49	
Diluted earnings per share	6				
Diluted earnings per share		\$3.93		\$5.46	

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
 GRANDTECH C.G. SYSTEMS INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 For the years ended December 31, 2023 and 2022  
 (Expressed in thousands of New Taiwan Dollars)

	Accounts	Notes	Equity attributable to owners of the parent							Total	Non-controlling interests	Total equity
			Retained earnings			Other equity						
			Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of a foreign operation	Unrealized (losses) gains from financial assets at fair value through other comprehensive income			
	Balance as of January 1, 2022		\$575,894	\$145,448	\$214,462	\$137,764	\$113,606	\$(145,306)	\$1,000	\$1,042,868	\$272,311	\$1,315,179
	Appropriation and distribution of earnings for the year ended December 31, 2022:	6	-	-	29,384	-	(29,384)	-	-	-	-	-
	Legal reserve		-	-	-	6,541	(6,541)	-	-	-	-	-
	Special reserve		-	-	-	-	(169,941)	-	-	(169,941)	-	(169,941)
	Cash dividend of common stock		-	-	-	-	-	-	-	-	-	-
	Cash dividends distributed from capital surplus	6	-	(97,850)	-	-	-	-	-	(97,850)	-	(97,850)
	Net profit for the year ended December 31, 2022		-	-	-	-	320,201	-	-	320,201	69,211	389,412
	Other comprehensive income for the year ended December 31, 2022		-	-	-	-	499	101,392	(521)	101,370	13,592	114,962
	Total comprehensive income for the year ended December 31, 2022		-	-	-	-	320,700	101,392	(521)	421,571	82,803	504,374
	Cash capital increase	6	45,000	175,500	-	-	-	-	-	220,500	-	220,500
	Changes in ownership interests in subsidiaries	6	-	18,960	-	-	-	-	-	18,960	29,571	48,531
	Proceeds from exercise of employee stock options	6	-	155	-	-	-	-	-	155	-	155
	Non-controlling interests	6	-	-	-	-	-	-	-	-	(45,967)	(45,967)
	Balance as of December 31, 2022		\$620,894	\$242,213	\$243,846	\$144,305	\$228,440	\$(43,914)	\$479	\$1,436,263	\$338,718	\$1,774,981
	Balance as of January 1, 2023		\$620,894	\$242,213	\$243,846	\$144,305	\$228,440	\$(43,914)	\$479	\$1,436,263	\$338,718	\$1,774,981
	Appropriation and distribution of earnings for the year ended December 31, 2022:	6	-	-	17,550	-	(17,550)	-	-	-	-	-
	Legal reserve		-	-	-	(100,868)	100,868	-	-	-	-	-
	Special reserve		-	-	-	-	(232,835)	-	-	(232,835)	-	(232,835)
	Cash dividend of common stock		-	-	-	-	-	-	-	-	-	-
	Appropriation and distribution of earnings for the year ended December 31, 2023:	6	-	-	13,028	-	(13,028)	-	-	-	-	-
	Legal reserve		-	-	-	-	(68,298)	-	-	(68,298)	-	(68,298)
	Reversal of special reserve		-	-	-	-	-	-	-	-	-	-
	Cash dividend of common stock		-	-	-	-	-	-	-	-	-	-
	Net profit for the year ended December 31, 2023		-	-	-	-	245,089	-	-	245,089	68,271	313,360
	Other comprehensive income for the year ended December 31, 2023		-	-	-	-	(4,899)	(4,899)	-	(4,899)	(1,439)	(6,338)
	Total comprehensive income for the year ended December 31, 2023		-	-	-	-	245,089	(4,899)	-	240,190	66,832	307,022
	Changes in ownership interests in subsidiaries	6	-	-	-	-	-	-	-	-	102	102
	Non-controlling interests	6	-	-	-	-	-	-	-	-	(100,792)	(100,792)
	Balance as of December 31, 2023		\$620,894	\$242,213	\$274,424	\$43,437	\$242,686	\$(48,813)	\$479	\$1,375,320	\$304,860	\$1,680,180

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
 GRANDTECH C.G. SYSTEMS INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 For the years ended December 31, 2023 and 2022  
 (Expressed in thousands of New Taiwan Dollars)

Accounts	For the years ended December 31,		Accounts	For the years ended December 31,	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$419,179	\$468,343	Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	-	2,000
Adjustments:			Acquisition of financial assets measured at amortized cost	(48,964)	-
Adjustments to reconcile profit or loss:			Proceeds from disposal of financial assets measured at amortized cost	(549,029)	27,646
Depreciation	41,410	42,297	Acquisition of financial assets at fair value through profit or loss	555,055	(47,652)
Amortization	906	961	Proceeds from disposal of property, plant and equipment	(11,320)	1,209
Expected credit (gains) losses	(2,768)	2,559	Proceeds from disposals of property, plant and equipment	363	(9,280)
Gains on valuation of financial assets and liabilities	(10,733)	(6,540)	Acquisition of intangible assets	(75)	1,373
Interest expenses	12,524	11,375	Decrease in other non-current assets	(2,122)	(325)
Interest income	(47,300)	(20,500)	Net cash used in investing activities	(56,092)	(4,382)
Dividend revenue	(5,339)	(7,019)			(29,411)
Share-based payments	-	155			
Losses (gains) on disposals of property, plant and equipment	468	(1,353)			
Losses (gains) on disposals of investments	-	(205)			
(Reversal gains) losses on market price decline and obsolete and slow-moving inventories	(10,775)	4,530	Cash flows from financing activities:		
Changes in operating assets and liabilities:			Increase (decrease) in short-term borrowings	170,000	(80,000)
Notes receivable	(17,672)	16,665	Cash payment for the principal portion of the lease liabilities	(23,827)	(17,540)
Trade receivables	(6,448)	(149,541)	Increase (decrease) in other non-current liabilities	10,332	(9,686)
Finance lease receivable, net	21,159	31,088	Cash dividends	(310,581)	(161,302)
Other receivables	(4,071)	(9,841)	Distribution of capital surplus in cash	-	(97,850)
Inventories	109,787	(70,133)	Cash capital increase	-	220,500
Prepayments	(93,652)	(67,365)	Acquisition of ownership interests in subsidiaries	-	(406)
Other current assets	743	(46,789)	Changes in non-controlling interests	(100,792)	(45,967)
Contract liabilities	(23,790)	(19,771)	Proceeds from cash capital increase for subsidiaries	-	29,977
Notes payable	-	(2,310)	Net cash used in financing activities	(254,868)	(162,274)
Trade payables	(3,859)	116,707			
Other payables	(8,803)	(4,342)	Effect of changes in exchange rate on cash and cash equivalents	(10,517)	102,788
Other current liabilities	3,526	(4,250)			
Cash generated from operations	374,492	284,721	Increase in current cash and cash equivalents	15,144	133,863
Interest received	47,300	20,500	Cash and cash equivalents at the beginning of the period	1,395,488	1,261,625
Dividends received	5,339	7,019	Cash and cash equivalents at the end of the period	\$1,410,632	\$1,395,488
Interest paid	(11,167)	(11,062)			
Income tax paid	(79,343)	(78,418)			
Net cash provided by operating activities	336,621	222,760			

The accompanying notes are an integral part of the consolidated financial statements.

## Independent Auditors' Report Translated from Chinese

To GrandTech C.G. Systems Inc.:

### **Opinion**

We have audited the accompanying parent company only balance sheets of GrandTech C.G. Systems Inc. (the “Company”) as of December 31, 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and cash flows for the year ended December 31, 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Correctness of timing of sales revenue recognition

The Company recognized net operating revenue in the amount of NT\$412,362 thousand, of which revenue from information software and hardware products totaled NT\$125,276 thousand, accounting for 30.38% of the operating revenue. As the revenue from information software and hardware products is diversified, including sales of goods, computer management and printing machine services, information service revenue, etc., with diverse types and different transaction terms, we believe that the correctness of the timing when performance obligations are met is considered material to the parent company only financial statements. Therefore, the timing of recognition of revenue from information software and hardware products was determined to be a key audit matter.

Our audit procedures include (but are not limited to):

1. Understanding the revenue recognition method related to the revenue from information software and hardware products, and assessing and testing the internal control related to the relevant revenue recognition of information software and hardware products.
2. Conducting analytical procedures on product-specific gross margin to evaluate the reasonableness of revenue recognition amounts.
3. Conducting tests of details on sales revenue transactions, including randomly selecting and verifying relevant vouchers from the record of sales revenue to ensure that performance obligations have been truly met.
4. Performing sales revenue cut-off tests for the period before and after the date of financial statements, randomly selecting operating revenue transactions, and reviewing the relevant vouchers to confirm that revenue is recognized in the correct period.

We also considered the appropriateness in disclosures of operating revenues in Note 6 to the parent company only financial statements.

### **Other Matter – Making Reference to the Audits of Other Auditors**

We did not audit the financial statements of certain investees accounted for using the equity method in the parent company only financial statements of the Company. Therefore, our opinions expressed herein regarding the amounts recorded in the financial statements of certain companies are based solely on the reports of the other auditors. The investments in aforementioned companies accounted for using equity method as of December 31, 2023 amounted to NT\$562,001 thousand, accounting for 24.16% of total parent company only assets; the share of other comprehensive income of the aforementioned companies accounted for using equity method for the year ended December 31, 2023 amounted to NT\$82,977 thousand, accounting for 34.55% of the total parent company only comprehensive income.

## **Other Matter – Audits for Previous Periods of Other Auditors**

The parent company only financial statements of the Company for the year ended December 31, 2022 were not audited by us, but were audited by other auditors, and an audit report with unqualified opinions including Other Matter Paragraphs was issued on March 3, 2023.

## **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

## **Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/S/ Hsu, Hsin-Min

/S/ Yu, Chien-Ju

Ernst & Young, Taiwan

March 22, 2024

Notice to Readers

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

*Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
 GRANDTECH C.G. SYSTEMS INC.  
 PARENT COMPANY ONLY BALANCE SHEET  
 As of December 31, 2023 and December 31, 2022  
 (Expressed in thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,			
		2023		2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$79,627	3	\$111,864	5
Notes receivable, net	4 and 6	15,030	1	14,814	1
Trade receivables, net	4 and 6	51,886	2	98,326	4
Finance lease receivable, net	4 and 6	11,412	1	21,103	1
Inventories, net	4 and 6	54,368	2	77,020	3
Other current assets		4,370	-	1,913	-
Total current assets		<u>216,693</u>	<u>9</u>	<u>325,040</u>	<u>14</u>
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4 and 6	100,755	5	100,755	5
Financial assets measured at fair value through other comprehensive income, non-current	4 and 6	8,479	-	8,479	-
Investments accounted for using equity method	4, 6 and 7	1,844,479	79	1,630,778	73
Property, plant and equipment	4, 6 and 8	106,603	5	105,437	5
Right-of-use assets	4 and 6	6,627	-	1,207	-
Intangible assets	4 and 7	337	-	480	-
Deferred tax assets	4 and 6	4,065	-	7,061	-
Other non-current assets	5 and 6	8,676	1	8,942	1
Long-term finance lease receivable, net	4 and 6	29,602	1	41,048	2
Total non-current assets		<u>2,109,623</u>	<u>91</u>	<u>1,904,187</u>	<u>86</u>
Total assets		<u>\$2,326,316</u>	<u>100</u>	<u>\$2,229,227</u>	<u>100</u>

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
 GRANDTECH C.G. SYSTEMS INC.  
 PARENT COMPANY ONLY BALANCE SHEET (Continued)  
 As of December 31, 2023 and December 31, 2022  
 (Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31,			
		2023		2022	
		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	6	\$750,000	32	\$540,000	24
Contract liabilities, current	6	14,444	1	18,813	1
Trade payables		32,086	1	76,402	3
Other payables	6 and 7	101,938	4	123,530	6
Current tax liabilities	4 and 6	26,987	1	12,124	1
Leases liabilities, current	4 and 6	4,882	-	1,225	-
Other current liabilities		17,224	1	17,435	1
Total current liabilities		<u>947,561</u>	<u>40</u>	<u>789,529</u>	<u>36</u>
Non-current liabilities					
Deferred tax liabilities	4	1,342	-	1,457	-
Leases liabilities, non-current	4 and 6	1,778	-	-	-
Other non-current liabilities		315	-	1,978	-
Total non-current liabilities		<u>3,435</u>	<u>-</u>	<u>3,435</u>	<u>-</u>
Total liabilities		<u>950,996</u>	<u>40</u>	<u>792,964</u>	<u>36</u>
Equity					
Share capital					
Ordinary share	4 and 6	620,894	27	620,894	28
Capital surplus	4 and 6	242,213	10	242,213	11
Retained earnings	4 and 6	274,424	12	243,846	11
Legal reserve		43,437	2	144,305	6
Special reserve		242,686	11	228,440	10
Unappropriated retained earnings		(48,334)	(2)	(43,435)	(2)
Other equity		<u>1,375,320</u>	<u>60</u>	<u>1,436,263</u>	<u>64</u>
Total equity		<u>\$2,326,316</u>	<u>100</u>	<u>\$2,229,227</u>	<u>100</u>
Total liabilities and equity					

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

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

GRANDTECH C.G. SYSTEMS INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Accounts	Notes	For the years ended December 31,			
		2023		2022	
		Amount	%	Amount	%
Operating revenue	4, 6 and 7	\$412,362	100	\$620,433	100
Operating costs	6 and 7	(288,594)	(70)	(432,535)	(70)
Gross profit		123,768	30	187,898	30
Unrealized profit from sales		(478)	-	(1,698)	-
Realized profit from sales		1,698	-	812	-
Gross profit, net		124,988	30	187,012	30
Operating expenses					
Selling expenses	6	(42,888)	(10)	(44,416)	(7)
Administrative expenses	6	(36,687)	(9)	(44,821)	(7)
Expected credit gains (losses)	4 and 6	1,839	-	(1,200)	-
Total operating expenses		(77,736)	(19)	(90,437)	(14)
Operating income		47,252	11	96,575	16
Non-operating income and expenses					
Interest income	6	2,675	1	3,299	-
Other income	6 and 7	8,757	2	9,683	2
Other gains and losses	6	(134)	-	3,023	-
Financial costs	6	(10,994)	(3)	(8,595)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method		237,976	58	235,467	38
Total non-operating income and expenses		238,280	58	242,877	39
Profit before tax		285,532	69	339,452	55
Income tax expense	4 and 6	(40,443)	(10)	(19,251)	(3)
Net income		245,089	59	320,201	52
Other comprehensive income	6				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		-	-	625	-
Unrealized gains (losses) from investment in equity instruments at fair value through other comprehensive income		-	-	(521)	-
Income tax related to the items not to be reclassified to profit or loss		-	-	(126)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of a foreign operation		(4,899)	(1)	101,392	16
Other comprehensive income, net of tax		(4,899)	(1)	101,370	16
Total comprehensive income		\$240,190	58	\$421,571	68
Basic earnings per share	6				
Basic earnings per share		\$3.95		\$5.49	
Diluted earnings per share	6				
Diluted earnings per share		\$3.93		\$5.46	

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
GRANDTECH C. G. SYSTEMS INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan Dollars)

Accounts	Notes	Equity attributable to owners of the parent						Total equity	
		Retained earnings							
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences resulting from translating the financial statements of a foreign operation		Other equity Unrealized (losses) gains from financial assets at fair value through other comprehensive income
Balance as of January 1, 2022		\$575,894	\$145,448	\$214,462	\$137,764	\$113,606	\$(145,306)	\$1,000	\$1,042,868
Appropriation and distribution of earnings for the year ended December 31, 2022:	6	-	-	29,384	-	(29,384)	-	-	-
Legal reserve		-	-	-	6,541	(6,541)	-	-	-
Special reserve		-	-	-	-	(169,941)	-	-	(169,941)
Cash dividend of ordinary share		-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	6	-	(97,850)	-	-	-	-	-	(97,850)
Net profit for the year ended December 31, 2022		-	-	-	-	320,201	-	-	320,201
Other comprehensive income for the year ended December 31, 2022		-	-	-	-	499	101,392	(521)	101,370
Total comprehensive income for the year ended December 31, 2022		-	-	-	-	320,700	101,392	(521)	421,571
Cash capital increase	6	45,000	175,500	-	-	-	-	-	220,500
Proceeds from exercise of employee stock options	6	-	155	-	-	-	-	-	155
Changes in ownership interests in subsidiaries	6	-	18,960	-	-	-	-	-	18,960
Balance as of December 31, 2022		\$620,894	\$242,213	\$243,846	\$144,305	\$228,440	\$(43,914)	\$479	\$1,436,263
Balance as of January 1, 2023		\$620,894	\$242,213	\$243,846	\$144,305	\$228,440	\$(43,914)	\$479	\$1,436,263
Appropriation and distribution of earnings for the year ended December 31, 2022:	6	-	-	17,550	-	(17,550)	-	-	-
Legal reserve		-	-	-	(100,868)	100,868	-	-	-
Reversal of special reserve		-	-	-	-	(232,835)	-	-	(232,835)
Cash dividend of ordinary share		-	-	-	-	-	-	-	-
Appropriation and distribution of earnings for the year ended December 31, 2023:	6	-	-	13,028	-	(13,028)	-	-	-
Legal reserve		-	-	-	-	(68,298)	-	-	(68,298)
Cash dividend of ordinary share		-	-	-	-	245,089	-	-	245,089
Net profit for the year ended December 31, 2023		-	-	-	-	-	(4,899)	-	(4,899)
Other comprehensive income for the year ended December 31, 2023		-	-	-	-	245,089	(4,899)	-	240,190
Total comprehensive income for the year ended December 31, 2023		-	-	-	-	245,089	(4,899)	-	240,190
Balance as of December 31, 2023		\$620,894	\$242,213	\$274,424	\$43,437	\$242,686	\$(48,813)	\$479	\$1,375,320

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

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

GRANDTECH C.G. SYSTEMS INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Accounts	For the years ended December 31,		Accounts	For the years ended December 31,	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$285,532	\$339,452	Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	-	2,000
Adjustments:			Proceeds from disposal of financial assets at fair value through profit or loss	-	1,209
Adjustments to reconcile profit or loss:			Cash outflow generated acquisition of ownership interests in subsidiaries	-	(40,000)
Depreciation	7,892	7,498	Refund of investments accounted for using equity method due to capital reduction	-	90,264
Amortization	190	609	Acquisition of property, plant and equipment	(4,736)	(685)
Expected credit (gains) losses	(1,839)	1,200	Acquisition of intangible assets	(47)	(250)
Gains on disposal of financial assets measured at fair value	-	(205)	Proceeds from disposals of intangible assets	-	3,255
Interest expenses	10,994	8,595	Decrease in other non-current assets	266	6
Interest income	(2,675)	(3,299)	Net cash (used in) provided by investing activities	(4,517)	55,799
Cash dividends from investments accounted for using equity method	19,376	3,588			
Dividend revenue	(5,339)	(7,019)	Cash flows from financing activities:		
Gains on disposals of intangible assets	-	(235)	Increase (decrease) in short-term borrowings	210,000	(120,000)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(237,976)	(235,467)	Decrease in deposits received	-	(349)
Share-based payments	-	155	Cash payment for the principal portion of the lease liabilities	(4,392)	(3,667)
Changes in operating assets and liabilities:			(Decrease) increase in other non-current liabilities	(1,663)	1,663
Notes receivable	(196)	10,544	Cash dividends	(310,581)	(161,302)
Trade receivables	48,239	(23,915)	Cash capital increase	-	220,500
Finance lease receivable, net	21,157	31,174	Cash dividends distributed from capital surplus	-	(97,850)
Inventories	22,652	(32,443)	Net cash used in financing activities	(106,636)	(161,005)
Other current assets	(2,457)	1,071			
Contract liabilities	(4,369)	(2,145)	(Decrease) increase in current cash and cash equivalents	(32,237)	30,951
Trade payables	(44,316)	48,038			
Other payables	(12,754)	(1,265)	Cash and cash equivalents at the beginning of the period	111,864	80,913
Other current liabilities	(211)	481	Cash and cash equivalents at the end of the period	\$79,627	\$111,864
Cash generated from operations	103,900	146,412			
Interest received	2,675	3,299			
Dividends received	5,339	7,019			
Interest paid	(10,299)	(8,289)			
Income tax paid	(22,699)	(12,284)			
Net cash provided by operating activities	78,916	136,157			

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

## **【Appendix C】**

### **GrandTech C.G. Systems Inc. Audit Report by Audit Committee**

The business report, parent company only financial reports and consolidated financial reports, and earnings distribution proposal for the year 2023, which were prepared by the Company's Board of Directors, have been certified by HSU, HSIN-MIN and YU, CHIEN-RU, Ernst&Young Taiwan. The aforementioned reports, the business report, the financial statements, and the earnings distribution proposal have been reviewed by the Committee and were found to be true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 General Shareholders' meeting

GrandTech C.G. Systems Inc.

Convener of the audit committee: CHEN, WEI-YU

07 March 2024



**【Appendix D】**GrandTech C.G. Systems Inc.  
2023 Earnings Distribution Table

	Unit: NT\$
Opening balance	78,923,302
Add: Net income after tax of the year	245,088,719
Minus: 10% legal reserve	24,508,872
Minus: Special reserve appropriated	4,897,975
Minus: Number of earnings distributed in mid-2023: Cash dividend of NT\$1.1 per share	68,298,373
Number of distributable earnings in the fourth-quarter of 2023	226,306,801
Item	
Cash dividend to shareholders - NT \$2.9 per share	180,059,347
Undistributed earnings	46,247,454

Note: 1. The minimum unit of cash dividend distribution is one dollar (ignoring fractions after the decimal point). Non-distributed fractional amounts shall be included as other income of the Company.

2. Priority of the distribution is first given to the earnings in 2023.

Chairman:

Managerial Officer:

Accounting Supervisor:

**【Appendix E】**

**2023 Director Remuneration**

Title	Name	Director Remuneration				Total amount and percentage of net income after tax of 4 categories A, B, C, D		Employee Remuneration				Total amount and percentage of net income after tax of 7 categories A, B, C, D, E, F, G		Claim of remunerations from re-invested business Other
		Compensation (A)	Pension (B)	Director Remuneration (C)	Business execution expenses (D)	The Company	Financial reports	Salary, Bonuses, and Allowances (E)	Pension (F)	Cash Amount	Stock Amount	The Company	Financial reports	
Director	HSU, CHENG-CHIANG	-	-	399	-	0.16%	4067	-	1200	-	1.72%	-	-	-
Director	NGOI, MIEW-HUAT	-	-	400	-	0.16%	3447	44	800	-	0.83%	-	-	-
Director	Longwei Co., Ltd. Representative: CHUANG, TZU-HUA	-	-	400	-	0.16%	-	-	-	-	0.16%	-	-	-
Director	HUANG, LI-AN	-	-	400	-	0.16%	-	-	-	-	0.16%	-	-	-
Director	YANG, JUNG-KUNG	-	-	400	-	0.16%	-	-	-	-	0.16%	-	-	-
Director	LIU, YAO-YUAN	-	-	400	-	0.16%	-	-	-	-	0.16%	-	-	-
Independent Director	LIN, TE-JUI	500	-	-	-	0.2%	-	-	-	-	0.2%	-	-	-
Independent Director	CHEN, WEI-YU	500	-	-	-	0.2%	-	-	-	-	0.2%	-	-	-
Independent Director	CHEN, SU-LAN	500	-	-	-	0.2%	-	-	-	-	0.2%	-	-	-

Note 1: Director Remuneration is allocated to unincorporated representatives of incorporation.

Note 2: The amount of employee remuneration of the Company in 2023 (including cash dividends and stock dividends) is a proposed amount.

Note 3: Please clarify the payment policy, system, standard and structure of independent director remuneration, and clarify its relationship with the amount of remuneration according to the responsibilities, risks, invested time and other factors of each independent director: according to the Company's Articles of Association and Distribution of Directors and Functional Committee Members Remuneration Regulations, the independent directors shall be allocated a fixed amount of remuneration regardless of profit or loss.

Note 4: Except as disclosed above, remuneration of the Company's directors in recent years for providing services to all companies in the financial reports (such as consultations for non-employees, etc.): None.

## 【Appendix F】

### GrandTech C.G. Systems Inc. Articles of Association

#### Chapter 1 General

- Article 1 The Company is organized in accordance with the Company Act and is named GrandTech C.G. Systems Inc.
- Article 2 The Company operates the following business:  
F109010 Book wholesale business  
F113050 Business machine equipment wholesale business  
F213030 Business machine equipment retail business  
F118010 Information software wholesale business  
F218010 Information software retail business  
F401010 International trade business  
I301010 Information software service business  
J304010 Book publishing business  
JZ99990 Other service business (computer program design agency)  
I199990 Other consulting service business (computer administration information and automated system analysis, planning and consultancy business).  
I301020 Data processing service business  
I301030 Electronic information supply service business  
I401010 General advertising service business  
F213040 Precision instrument retail business  
F216010 Photographic equipment retail business  
JA02010 Electric appliance repair business  
JB01010 Exhibition service business  
I103010 Enterprise operation management consultancy business  
I199990 Other consulting service business - workshop event organization  
J303010 Magazine business  
J305010 Audio publication business  
F209010 Book and stationary retail business  
CC01050 Data storage and processing equipment manufacturing business  
F209030 Toy and entertainment tool retail business  
F113070 Telecommunications equipment wholesale business  
F213060 Telecommunications equipment retail business  
F119010 Electronic material wholesale business  
F219010 Electronic material retail  
F401021 Telecommunications controlled emission equipment import business  
ZZ99999 Business that is not prohibited or restricted by law, except business that requires approval
- Article 3 The Company has its headquarters in Taipei City and may set up domestic and overseas branches or representative offices as required through board resolution.
- Article 4 The Company's total capital is NT\$1,050,000,000, divided into 105,000,000 shares of NT\$10 per share. The board of directors is authorized to issue such shares through multiple issuances. Among the above, 10,000,000 shares are reserved for subscription following exercise of warrants, special shares with warrants or corporate bonds with warrants.
- Article 4-1 With the approval of shareholders holding 2/3 or more voting rights represented in a shareholders' meeting that is attended by shareholders holding the majority of all outstanding shares, the Company may transfer shares to its employees at a price that is lower than the average share buy-back price or issue employee warrants with a subscription price that is lower than the closing price of its ordinary shares on the issue date.

## Chapter 2 Shares

- Article 5 All of the Company's shares are registered shares and are issued after they are affixed with the signatures or seals of 3 or more directors and following certification in accordance with the law. Shares may also be issued without share certificates. The same is applicable to other securities. Registration shall be made with a centralized securities custodian institution.
- Article 6 Deleted.
- Article 7 Registration of share transfer is suspended during a period of 60 days before a general shareholders' meeting, 30 days before an extraordinary shareholders' meeting and 5 days before the record date for the Company's decision to distribute dividend, bonus or other interest.
- Article 8 Shareholders shall submit their samples of their specimen seals to the Company, including any change thereto. Such specimen seals registered with the Company shall be used to collect dividends or exercise all other rights. Shareholder services of the Company are provided in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

## Chapter 3 Shareholders Meetings

- Article 9 Shareholders' meetings are divided into general meetings and extraordinary meetings. General meetings are held once a year within 6 months from the end of each accounting year. Extraordinary meetings are held as required in accordance with applicable laws.
- Article 9-1 For shareholders holding less than 1,000 registered shares of the Company, notice for shareholders' meeting may be given by public announcement on the MOPS.
- Article 9-2 The Company may hold shareholders' meetings through video conference or in other manners published by the Ministry of Economic Affairs.
- Article 10 Any shareholder who cannot attend a shareholders' meeting may issue a proxy printed by the Company, specifying the scope of authorization, to designate a representative to attend the meeting on its behalf. In addition to Article 177 of the Company Act, shareholder attendance by proxy shall be in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
- Article 11 Shareholders of the Company are entitled to one vote per share, except those restricted by the Company Act or those without voting rights.
- Article 12 Unless otherwise provided by applicable laws, resolutions of shareholders' meetings shall be approved by shareholders holding the majority of voting rights in a meeting that is attended by shareholders representing the majority of all outstanding shares in person or by proxy.
- Article 13 Shareholders' meeting shall be convened by the board of directors and chaired by the chairman. If the chairman is absent, the chairman shall designate one director to act on his/her behalf. If there is no such designation, the directors shall elect one person from among themselves to act on the chairman's behalf. If the meeting is convened by any person other than the board of directors, such person convening the meeting shall chair the meeting. If the meeting is convened by two or more persons, they shall elect one person from among themselves to chair the meeting.
- Article 14 Matters resolved in a shareholders' meeting shall be recorded in minutes. The minutes shall be distributed and kept in accordance with Article 183 of the Company Act.

## Chapter 4 Directors and Supervisors

- Article 15 The Company has 9 to 11 directors. Directors shall be elected under the candidate nomination system in accordance with Article 192-1 of the Company Act. The shareholders' meeting shall elect the directors from a list of candidates. The term shall be 3 years. When the term of the directors elected by the shareholders' meeting in accordance with the law expires and re-election has not taken place in time, the duties of the directors shall be extended until the time when the re-elected directors come to office. Relevant matters such as the manner of acceptance of director candidate nomination and public announcements, etc. shall be in accordance with the provisions of applicable laws such as the Company Act, the Securities and Exchange Act. Among the number of directors of the Company under the previous paragraph, there shall be at least 3 independent directors, to be elected by the shareholders' meeting from a list of independent director candidates.
- Article15-1 The Company has an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee is composed of all independent directors. The number of audit committee members, their term, duties, meeting rules, etc. shall be in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and shall be further stipulated under the organization charter for audit committee.
- Article 16 The board of directors is organized by the directors. The directors shall elect one person from among themselves as chairman through the approval of the majority of directors attending a meeting that is attended by 2/3 or more directors. The chairman is the Company's representative and shall generally manage all resolutions of the board of directors and all business activities.
- Article16-1 Board meetings shall be convened at least once per quarter. Notice to convene a meeting shall be given to each director 7 days in advance. However, meetings may be convened at any time in case of emergency. Board meetings of the Company may be convened in writing, by email or by fax.
- Article 17 When the chairman is on leave or cannot perform his/her duties due to any reason, the representation shall be in accordance with Article 208 of the Company Act.
- Article 18 A director may give written authorization for another director to attend a board meeting on his/her behalf and to exercise voting rights for all matters in the meeting on his/her behalf, provided that the representative shall represent no more than one person.
- Article 19 Unless otherwise provided by the Company Act, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors.
- Article 20 When director vacancy reaches 1/3 or when all independent directors have resigned, the board of directors shall convene an extraordinary shareholders' meeting within 60 days to fill the vacancies. The persons filling the vacancies shall serve until the end of the original term.
- Article 21 As the directors of the Company perform duties for the Company, the Company may pay remuneration regardless of whether the Company is profit-making or loss-making. The board of directors is authorized to determine the remuneration in accordance with the level of participation in the company's operation and the value of contribution and based on the common standard of the industry.

## Chapter 5 Officers

- Article 22 The Company may have one president and several vice presidents, the hiring, dismissal

and remuneration of which shall be in accordance with Article 29 of the Company Act.

Article 22-1 The Company may purchase liability insurance for its directors within the scope of their performance of business activities during their terms.

## Chapter 6 Accounting

Article 23 At the end of each accounting year of the Company, the board of directors shall prepare statements such as (1) business report (2) financial statements (3) profit distribution or loss compensation proposals and submit them to the general shareholders' meeting for approval.

Profit distribution or loss compensation by the Company may be done at the end of each quarter. The Company's proposal for quarterly profit distribution or loss compensation shall be submitted to the audit committee for audit together with the business report and financial statements, which shall then be submitted to the board of directors for resolution.

Article 24 After the Company's profit before tax excluding employee remuneration and director remuneration is used to compensate losses, the balance amount, if any, shall be used to provision no more than 3% as director remuneration and 4-11% as employee remuneration. The recipients of employee stock or cash remuneration include employees of subsidiaries meeting certain conditions. Such certain conditions shall be established by the board of directors. When employee remuneration is distributed in stock or in cash, it shall be resolved by the board of directors through approval by the majority of directors attending a meeting that is attended by 2/3 or more directors and shall be reported to the shareholders' meeting.

Article 24-1 Profit distribution or loss compensation by the Company may be done at the end of each quarter. If there is profit at quarterly closing, taxes payable shall first be estimated and reserved, accumulated losses shall be compensated, employee remuneration shall be estimated and reserved. Then 10% shall be provisioned as legal reserve and special reserve shall be provisioned or recycled in accordance with the law. Any profit remaining, together with non-distributed profit accumulated from the previous quarter, may be subject to profit distribution proposal to be prepared by the board of directors. If distribution is made in cash, it shall be resolved by the board of directors. If distribution is made through issuance of new shares, distribution shall be subject to prior shareholder resolution.

If the Company has profit at annual closing, distribution shall be made in the following order:

(A) Provision of and payment of taxes.

(B) Compensation of accumulated losses.

(C) 10% provision as legal reserve, except if legal reserve has reached the total capital amount.

(D) Provision or recycling of special reserve in accordance with the law or requirement of the securities authority.

(E) Any amount remaining, together with non-distributed profit from previous quarter, may be reserved or used to distribute shareholder dividend through issuance of new shares pursuant to board resolution depending on the funding status and economic development of the current year. Distribution shall be made after submission to the shareholders' meeting for resolution.

The Company authorizes the board of directors to issue all or part of the dividend and bonus to be distributed in cash through resolution approved by the majority of directors attending a meeting that is attended by 2/3 or more directors in accordance with paragraph 5, Article 240 of the Company Act, with a report to the shareholders' meeting.

Article 24-2 When the Company distributes all or part of its legal reserve or capital reserve through new shares or in cash in proportion to the shareholders' original shareholding percentages in accordance with Article 241 of the Company Act, the board of directors is authorized

to pass a resolution by the majority of directors attending a meeting that is attended by 2/3 or more directors, with a report to the shareholders' meeting if distribution is made in cash. If distribution is made through issuance of new shares, it shall be subject to prior submission to the shareholders' meeting for resolution.

Article 25 The Company executes its dividend policy in consideration of factors such as its future capital budget plan, satisfaction of shareholder requirements for cash flow and to ensure market competitiveness. Cash dividend shall not be lower than 10% of the total shareholder bonus.

## Chapter 7 Miscellaneous

Article 26 The Company may make investments in excess of 40% of its paid-in capital and the board of directors is authorized to execute such investment.

Article 27 The Company may provide endorsements and guarantees for business or investment purposes.

Article 28 Anything that is not stipulated in these articles of association shall be governed by the Company Act and applicable laws.

Article 29 These articles of association were established on 22 July 1991. The first amendment was made on 11 July 1996. The second amendment was made on 20 December 1996. The third amendment was made on 11 September 1997. The fourth amendment was made on 4 December 1997. The fifth amendment was made on 23 February 1998. The sixth amendment was made on 29 April 1998. The seventh amendment was made on 4 May 1999. The eighth amendment was made on 15 September 1999. The ninth amendment was made on 8 November 1999. The tenth amendment was made on 8 May 2000. The eleventh amendment was made on 1 June 2001. The twelfth amendment was made on 1 June 2001. The thirteenth amendment was made on 20 August 2001. The fourteenth amendment was made on 14 June 2002. The fifteenth amendment was made on 27 June 2003. The sixteenth amendment was made on 11 June 2004. The seventeenth amendment was made on 14 June 2005. The eighteenth amendment was made on 15 June 2007. The nineteenth amendment was made on 13 June 2008. The twentieth amendment was made on 16 June 2009. The twenty-first amendment was made on 17 June 2010. The twenty-second amendment was made on 15 June 2012. The twenty-third amendment was made on 18 June 2013. The twenty-fourth amendment was made on 11 June 2015. The twenty-fifth amendment was made on 23 June 2016. The twenty-sixth amendment was made on 22 June 2017. The twenty-seventh amendment was made on 6 June 2019. The twenty-eighth amendment was made on 9 June 2020. The twenty-ninth amendment was made on 10 June 2022.

## **【Appendix G】**

### **GrandTech C.G. Systems Inc.**

#### **Rules of Procedure for Shareholders' Meetings**

##### Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

##### Article 2

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.

##### Article 3

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

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

The Company shall prepare the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time before 15 days before the date of an extraordinary shareholders' meeting. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

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

- A. For physical shareholders' meetings, to be distributed on-site at the meeting.
- B. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- C. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

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

##### Article 4

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

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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



meeting by the proxy shall prevail.

#### Article 5

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.

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

#### Article 6

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

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

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

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

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

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

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

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

#### Article 6-1

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

- A. How shareholders attend the virtual meeting and exercise their rights.
- B. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (A) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - (B) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - (C) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on

all proposals on meeting agenda of that shareholders' meeting.

(D) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

C. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

#### Article 7

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

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

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

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

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

#### Article 8

The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders' meeting.

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

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

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

#### Article 9

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

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

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened

within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to the Company Act.

#### Article 10

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal 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, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

#### Article 11

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

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

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

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

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

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

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

#### Article 12

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent

securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under 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 or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

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

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

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

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

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

#### Article 14

The election of directors or independent directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and independent directors and the numbers of votes with which they were elected.

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

#### Article 15

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

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

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

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

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

#### Article 16

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

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

#### Article 17

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

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

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

#### Article 18

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

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

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

#### Article 19

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

#### Article 20

When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location.

#### Article 21

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

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

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

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

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under the Regulations Governing the Administration of Shareholder Services of

Public Companies.

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

Article 22

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23

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

Article 24

These Rules were established on 10 June 2022.

**【Appendix H】****GrandTech C.G. Systems Inc.  
Director Shareholding**

Record Date: 15 April 2024

Title	Name	Shares Held on Record Date
Chairman	HSU, CHENG-CHIANG	2,009,622 shares
Director	NGOI, MIEW-HUAT	425,004 shares
Director	YANG, JUNG-KUNG	0 share
Director	Longwei Co., Ltd. Representative CHUANG, TZU-HUA	2,739,738 shares
Director	LIU, YAO-YUAN	100,000 shares
Director	HUANG, LI-AN	0 share
Independent Director	LIN, TE-JUI	180,626 shares
Independent Director	CHEN, WEI-YU	0 share
Independent Director	CHEN, SU-LAN	0 share
No. of shares held by all directors		5,454,990 shares

1. Note: Above are shares held by individual and all directors based on the shareholders register as of the share transfer suspension date for 2024 general shareholders' meeting (15 April 2024).
2. The statutory number of shares to be held by current directors of the Company is as follows:
  - (1) Total number of issued shares as of 15 April 2024: 62,089,430 ordinary shares.
  - (2) Statutory number of shares to be held by all directors is 4,967,154 shares. As of 15 April 2024, the number of shares held by all directors is 5,454,990 shares.
  - (3) The Company has an audit committee. Therefore, there is no statutory number of shares required of supervisors.
  - (4) The shareholding by all directors of the Company is consistent with the ratio required by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.





 **GrandTech<sup>+</sup> 上奇集團**

- Taiwan
- Hong Kong
- ASEAN
- Japan