



# **EZconn Corporation**

## **2024Annual General Shareholders' Meeting Meeting Handbook (Translation)**

### **Notice to readers**

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

**Date:** June 18, 2024 (Tuesday)

**Location:** Chientan Youth Activity Center

No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei  
City, Taiwan (R.O.C.)

# Table of Contents

Meeting Procedures -----	1
Meeting Agenda -----	2
Reports Items -----	3
Items for Acknowledgment -----	4
Items for Discussion -----	5
Ad Hoc Motion -----	10
Attachment	
(I) 2023 Business Report -----	11
(II) 2023 Audit Committee’s Review Report -----	16
(III) 2023 Individual Financial Statement, Consolidated Financial Statement and CPA’s Auditor’s Report -----	17
(IV) 2023 Surplus Distribution Statement -----	37
Appendix	
(I) Articles of Association -----	38
(II) Rules of Procedure for Shareholders' Meetings -----	45
(III) Shareholding of Directors -----	52

**EZconn Corporation**  
**Procedures**  
**of**  
**2024 Annual General Shareholders' Meeting**

**I. Opening Address**

**II. Chairman Address**

**III. Reporting Items**

**IV. Items for Acknowledgment**

**V. Items for Discussion**

**VI. Ad Hoc Motion**

**VII. Adjournment**

# EZconn Corporation

## 2024 Annual General Shareholders' Meeting

Meeting time: At 9:00 am, June 18, 2024 (Tuesday)

Meeting venue: Chientan Youth Activity Center (No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City, Taiwan (R.O.C.))

Meeting Format: In-Person Meeting

- I. Opening Address (report the attending number of shares)
- II. Chairman Address
- III. Reports Items
  - (I) 2023 Business Report.
  - (II) 2023 Audit Committee's Review Report
  - (III) 2023 Surplus Distribution in Cash Dividends Report.
  - (IV) 2023 Employees' and Directors' Remuneration Distribution Report.
- IV. Items for Acknowledgment
  - (I) 2023 Business Report, Individual Financial Statement, and Consolidated Financial Statement.
  - (II) 2023 Surplus Distribution.
- V. Items for Discussion
  - (I) Proposal for a private placement of ordinary shares, preferred shares or a private placement of domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds).
  - (II) Proposal for the issuance of restricted stock awards.
- VI. Ad Hoc Motion
- VII. Adjournment

# Reports Items

## (I) 2023 Business Report.

Description: Please refer to pages 11 to 15 (Attachment 1) of the Handbook for the 2023 Business Report.

## (II) 2023 Audit Committee's Review Report

Description: Explanation: Please refer to page 16 (Attachment 2) of the Handbook for the 2023 Audit Committee's Review Report.

## (III) 2023 Surplus Distribution in Cash Dividends Report.

Description:

1. The Company intended to distribute cash dividends of NT\$158,760,000 (a cash dividend of NT\$2.10 per share) in 2023.
2. The surplus distribution is calculated based on 75,600,000 shares in the issue of the Company on the date of passing the resolution by the Board. Subsequently, in case of changes in the share capital of the Company causing impacts on the number of outstanding shares and thereby causing changes in yields of shareholders that require amendments, the Chairman is fully authorized for such matters.
3. For the surplus distribution, the Chairman is authorized to otherwise establish the ex-dividend date and other relevant matters. The cash dividend is rounded to NT\$1, and for the total number of fractional amounts less than NT\$1, numbers after the decimal point will be adjusted in descending order until aligning with the amount of total cash dividends.

## (IV) 2023 Employees' and Directors' Remuneration Distribution Report.

Description:

1. According to Article 24 of the Articles of Association, "If profits are available upon final settlement every year, the Company shall allocate no less than five percent as employee's compensation and no more than five percent as Director's compensation."
2. In 2023, the Company appropriated a net profit before tax of NT\$231,834,082 for the remunerations of employees and Directors; the Company intends to appropriate NT\$18,000,000 and NT\$5,500,000 as employees' remuneration and Directors' remuneration, respectively, fully distributed in cash.
3. The above allocation amount has no difference from the expenses recognized in 2023.

# Items for Acknowledgment

Case 1 (proposed by the Board)

Cause: 2023 Business Report, Individual Financial Statements and Consolidated Financial Statements.

Description:

1. The 2023 individual financial statements and consolidated financial statements of the Company have been audited by Jeff Chen and Kathy Huang CHUN, CPAs from Deloitte & Touche, and an unqualified opinion report has been issued for the record. After the business report has also been reviewed by the Audit Committee, a written review report has been issued.
2. Please refer to pages 11 to 15 (Attachment 1) and pages 17 to 36 (Attachment 3) of the Handbook for the business report, CPA's auditor's report, and the abovementioned financial statements.
3. It is hereby proposed to shareholders for acknowledgment.

Resolution:

Case 2 (proposed by the Board)

Cause: 2023 surplus distribution.

Description:

1. The net profit after tax of the Company in 2023 was NT\$168,041,714, adding the undistributed surplus at the end of the period of NT\$749,295,937 in 2022, remeasurement of defined benefit plans recognized in retained earnings of NT\$4,465,069, and reverse the special surplus reserve of NT\$35,614,802 in accordance with the law, and deduct the cancellation of treasury shares and debit retained earnings of NT\$71,605,952 and legal reserve appropriated during the period of NT\$32,385,455; the total surplus available for distribution was NT\$875,721,487.
2. The 2023 Surplus Distribution Statement was approved by the Board as a resolution and submitted to and reviewed by the Audit Committee; please refer to page 37 (Attachment 4) of the Handbook.
3. It is hereby proposed to shareholders for acknowledgment.

Resolution:

# Items for Discussion

Case 1(proposed by the Board)

Cause: Proposal for the intended private placement of ordinary shares, preferred shares, or private placement of convertible corporate bonds (including secured or unsecured convertible corporate bonds) (Addition of new private placement of securities)

Description:

1. The Board of Directors passed the Proposal for the intended private placement by means of issue of ordinary shares or domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds) on 14 March 2024. To accommodate the future operational needs, it is proposed to initiate new private placement by issuing preferred shares.
2. In response to the intensive competition within the industry and the future development of the Company to improve the operating performances and enrich our working capital, and to grasp the timeliness of fundraising, the Company intends to propose to the shareholders' meeting to authorize the Board to place no more than 20,000,000 ordinary shares and preferred shares in one to three batches at an appropriate timing by using one or mixed methods subject to the market conditions and in accordance with the actual capital and operating requirements of the Company. According to the requirements under Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities," the descriptions are made as follows.
- 3.. The basis and reasonableness of the private placement pricing:
  - A. Private placement of ordinary shares

For the issuance price per share for the private placement of ordinary shares, the basis for the private placement pricing shall not be lower than 80% of the reference price; the reference price shall be the higher of the price calculation based on the following two standards: (1) the simple average closing price of the ordinary shares for any of either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; or (2) the simple average closing price of the ordinary shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
  - B. Private placement of preferred shares
    - a. Generally, the preferred shares shall be issued at a price no less than 80% of the theoretical price.
    - b. The theoretical price is calculated using an appropriate pricing model adopted after considering that covers all rights under the conditions of the issue. The model shall take into account and cover all rights included in the conditions of the issue. Rights not covered by the model shall also be excluded from the conditions of the issue.
    - c. The conditions of the issue of preferred shares shall be subject to the provisions of the "Articles of Association".
  - C. Private placement of domestic convertible corporate bonds
    - a. Par value of each bond: NT\$100,000 or its multiples.
    - b. Issuance period: No more than seven years from the issue date.
    - c. Coupon rate: 0%
    - d. The issuance price of the private placement of domestic convertible corporate bonds shall be no lower than 80% of the theoretical price. The theoretical price shall be determined in accordance with a calculation based on an appropriate pricing model that is selected in consideration of the various rights under the terms of issuance. The conversion price shall be no lower than the higher of the prices calculated based on the following two basis: (i) The simple average closing price of the ordinary shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; (ii) The simple average closing price of the ordinary

shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The Company intends to propose to the shareholders' meeting to authorize the Board to set the actual price of the private placement and the actual price determination date within the scope of the ratio resolved based on the conditions in the market and of the Company and the status of strategic investor selection. The basis for setting the abovementioned price shall comply with relevant requirements under the "Directions for Public Companies Conducting Private Placements of Securities," with considerations given to the restrictions on the transfer counterparties and volume within three years from the delivery date of the private placement of securities as well as the inability to declare the supplementary public offering and listing to the competent authority for less than three years after the delivery; therefore, such basis shall be reasonable.

4. The method for selecting the specific persons:

- (1) The places under the resolution of the private placement shall be specific persons selected according to the requirements under Article 43-6 of the Securities and Exchange Act and Letter (91) Tai-Cai-Zheng-(Yi)-Zi No.0910003455 issued by the initial Securities and Futures Bureau, Ministry of Finance on 13 June 2002, and are limited to strategic investors.
- (2) The method and objectives of selecting the place, the necessity, and the anticipated benefits:
  - (a) The method and objectives of selecting the place: The private funds introduced through the private placement under the resolution may strengthen the Company's capital structure, and the introduction of strategic investors may assist the Company in performing business diversification and effectively improve shareholders' interest. Therefore, the introduction of strategic investors will prioritize measures that help the Company to reinforce its competitive strength or create shareholders' interest.
  - (b) Necessity: To actively create profiting sources and competitive niche, the Company intends to seek appropriate strategic investors to assist the Company in expanding its existing product lines, developing new product lines, and performing business diversification, and in turn, benefiting the Company's sustainable operation and development; therefore, the private placement under the resolution to introduce strategic investors is necessary.
  - (c) Anticipated benefits: By introducing strategic investors through the private placement plan, it assists the Company in acquiring long-term stable funds, expanding existing product lines, developing new product lines, and performing business diversification, which will effectively improve shareholders' interest. Therefore, the strategic investors, individuals or corporations, being introduced will prioritize the measures to help the Company reinforce its competitive strength in the hope of assisting the Company in improving its technologies and quality, reducing costs, improving efficiency, expanding the markets, and other benefits through vertical integration, horizontal integration within the industry, or joint R&D of products or markets, or other methods based on their own experiences, technologies, knowledge, or channels, benefitting the improvement in shareholders' interest of the Company.
  - (d) At present, there is no confirmed strategic investor.

5. Reasons for the necessity of the private placement:

- (1) The reason for not adopting public offering:

Considering the timeliness, convenience, for fundraising, issuance costs, feasibility, equity stability, and uncertainties in the capital market, it may be difficult to acquire the capital required successfully within a short period of time if the public offering for the issuance securities is adopted for fundraising; therefore, the Company adopts private placement for the issuance of ordinary shares, preferred shares, or domestic convertible corporate bonds.
- (2) Limit of the private placement:



The private placement of ordinary shares and preferred shares shall be performed within the limit of no more than 20,000,000 ordinary shares, and the number of ordinary shares that may be converted from the domestic convertible bonds under the private placement shall be within the scope of the 20,000,000 shares mentioned above, which shall be calculated based on the conversion price at the time of the private placement. For the proposal of the private placement, the Company intends to propose to the shareholders' meeting to authorize the Board to make placements in one to three batches within one year from the date of resolution made by the shareholders' meeting by using one or mixed methods subject to the market conditions or the actual operating requirements of the Company.

- (3) Usage of funds from the private placement and benefits anticipated to achieve:  
The use of funds for various batches shall enrich our working capital and repay bank borrowings to respond to the changes in the industry and reinforce the business nature and competitiveness of the Company; it is anticipated to improve our financial structure and benefit the steady growth of the Company's operations, rendering positive benefits to shareholders' interest.
6. According to the requirements under the "Directions for Public Companies Conducting Private Placements of Securities," if any material change occurs to the ownership within one year prior to the performance of the private placement as resolved by the Board, or if a material change will be resulting from the introduction of strategic investors due to the performance of the private placement, the Company shall request the underwriter of securities to issue the evaluation opinions for the necessity and rationale of the performance of the private placement.  
The material change that occurs to the ownership mentioned above refers to the changes in more than one-third of the Directors; however, this shall not apply to circumstances in which more than half of the Director's seats are under the control of the initial major shareholders before and after the abovementioned change.
- 7 The rights and obligations for the ordinary shares of the current private placement, the ordinary shares converted from preferred shares, or the ordinary shares converted from domestic convertible corporate bonds shall rank *pari passu* with the those for the issued ordinary shares of the Company; however, relevant transfer restrictions for the private placement of securities shall be subject to Article 43-8 and relevant laws, regulations, and interpretations of the competent authority. After three years from the delivery date of the securities under the private placement, the Board is authorized to determine whether to apply for the issuance of the consent in terms of the fulfillment of listing standards with TWSE according to relevant requirements subject to the conditions at the time, declare with the competent authority for the supplemented public offering procedures, and apply for listing for trading, subsequently.
8. Except for the pricing ratio of the private placement, the Company intends to propose to the shareholders' meeting to authorize the Board to make adjustments, setting, and arrangements for the major content for the issuance of ordinary shares, preferred shares, or domestic convertible corporate bonds (including secured or unsecured corporate bonds) under the private placement, including the actual issuance price, number of shares issued, issuance conditions, raising amount, the base date for the capital increase, items of the plan, the progress of the capital use, anticipated benefits, and other unaddressed matters, based on the operating requirements of the Company and market conditions; in the future, if any amendment is required due to the instruction for amendments made by the competent authority or the changes in the objective environment, the Company intends to propose to the shareholders' meeting to authorize the Board for processing with its sole discretion.
9. In response to the private placement of ordinary shares, preferred shares, or domestic convertible corporate bonds, the Company intends to propose to the shareholders' meeting to authorize the Chairman of the Company or another designated person to make arrangements for matters related to the private placement plan after the proposal for the private placement is approved.
10. The proposal was approved by the Audit Committee, submitted to the Board for resolution according to the laws, and submitted to the shareholders' meeting for

discussion.

11. The proposal is hereby submitted for discussion.

Resolution:

Case 2 (proposed by the Board)

Cause: Proposal for the issuance of restricted stock awards.

Description:

(I) The matters below would proceed according to relevant regulations of Paragraph 8, Act 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

(II) The proposed issuance of new restricted stock awards is as follows:

(1) Total issue amount: the limit is 400,000 common stocks with an asset value of NTD\$10 per share, totaling NTD\$ 4,000,000.

(2) The terms and conditions of issuance:

a) Issuing price: NTD\$10 per share.

b) Vesting conditions: Employees who have been granted restricted stock awards and have completed one year from the issue date may be eligible for vesting upon reaching each respective vesting milestone, provided they remain employed and meet the following criteria: Annual individual performance evaluation results of "B" or above, adherence to service rules and no violation of the company's labor contracts or work rules, and meeting the company's overall performance indicators.

The proportions of shares that may meet the vesting conditions separately are as follows:

One-year employment after issuance: 30%

Two-year employment after issuance: 30%

Three-year employment after issuance: 40%

c) Company performance index: The company performance index indicates that the scheduled vesting date for restricted stock awards for each year is determined based on the audited annual reached net sales of 3.2 billion dollars and operating net profit margin above 12% for the preceding fiscal year, as certified by the company's auditor.

d) Issuance type: this company's common stock.

e) Measures to be taken when the employee fails to meet the vesting conditions:

The company repurchases the new shares with restricted employee rights at the issuance price and cancels them in accordance with the law.

(3) Employee eligibility and issued shares:

a) Employee eligibility: Limited to the company's official employees, the granted employees and their share numbers will be dependent on years of service, title, work performance, overall contribution, etc. The above matters shall be approved by the Chairman and their report to the Board of Directors. However, individuals with managerial roles must first obtain approval from the Remuneration Committee before proceeding.

b) Issued shares: According to Article 56-1, Paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total number of shares that can be granted to a single employee through cumulative employee stock options certificates, together with the cumulative number of restricted stock rewards obtained by that single employee, shall not exceed 0.3% of the total issued shares of the company. Additionally, according to Article 56, Paragraph 1 of the same regulations, the total number of shares that can be granted to a single employee through cumulative employee stock options certificates shall not exceed 1% of the total issued shares of the company.

- (4) The necessary reasons for creating the restricted stock awards are to attract and retain the company's professional personnel, elevate employees' team spirit and sense of belonging, and generate interest for the company and its shareholders.
- (5) The expensable amount, dilution of the company's earnings per share, and other matters affecting the stakeholder rights:
  - a) The expensable amount: The company shall measure the share's fair value on the grant date (issue date) and recognize related expenses within the vesting period. For the proposed resolution to issue restricted stock awards at the shareholders' regular meeting for fiscal year 2024, the limit is set at 400,000 shares, with a par value of NT\$10 per share. If all conditions are met, based on an estimated closing price of NT\$132 per share on April 29, 2024 (the previous business day before the board meeting notice was issued), the total estimated expenses are NT\$48,166,000. The relevant expenses will be recognized over the vesting period and allocated annually as follows: NTD\$9,366,000 (2024; estimated with 4 months), NTD\$23,280,000 (2025), NTD\$11,239,000 (2026), NTD\$4,281,000 (2027; estimated with 8 months.)
  - b) The dilution of the company's earnings per share and other matters affecting the stakeholder rights: The annual expense allocation per share for diluted earnings is temporarily based on the total issued shares as of April 29, 2024, which is 75,600,000 shares. It is estimated that the issuance of restricted stock rewards will account for 0.53% of the total issued shares. The annual allocations are as follows: NTD\$0.13 (2024; estimated with 4 months), NTD\$0.31(2025), NTD\$0.15 (2026), NTD\$0.06 (2027; estimated with 8 months), which not yet pose material impacts to shareholder rights.
- (6) The employee's restricted rights after the stock grant and before meeting vesting conditions:
  - a) Prior to meeting the vesting conditions, employees who are granted restricted stock awards must fully deliver all stocks to the trust institution designated by the company for safekeeping. They are prohibited from selling, mortgaging, transferring, gifting, pledging, or otherwise disposing of the restricted stock awards in any manner.
  - b) Attendance, proposals, speeches, and voting rights at shareholder meetings are all executed by the trust institution according to the contract.
  - c) In addition to the aforementioned restrictions, employees granted restricted stock awards have the rights below prior to meeting the vested conditions, which include but are not limited to, dividends, bonuses, rights to allocation of capital reserves, and subscription rights for cash increases, which are the same as those for issued common shares of the company.

(III) After regular shareholder meetings approval for the aforementioned matters, the Board of Directors will set out regulations for issuing restricted stock awards according to relevant laws and regulations as a single process or multiple times. Shall there be any relevant amendments or adjustments by the competent authorities, the Board of Directors is fully authorized to handle relevant matters or other matters not covered.

(IV) The proposal is hereby submitted for discussion.

Resolution:

**Ad Hoc Motion**

**Adjournment**

# Attachment 1

## Business Report

### I. Operating status in 2023

#### (I) Result of the operational plan implementation

The 2023 consolidated net operating income is NT\$2,617,385 thousand, a decrease of 11% from that in 2022; the consolidated gross operating profit margin is 35.55%, an increase of 12% from that in 2022; the consolidated net operating profit is NT\$225,933 thousand, and the consolidated after tax net profit is NT\$168,042 thousand; The consolidated EPS is NT\$2.53 per share, while the net value per shared is NT\$30.93

#### (II) Analysis of the financial expenses and receipts and profitability

##### 1. Financial expenses and receipts

The 2023 net consolidated operating income is NT\$2,617,385 thousand; a decrease of NT\$322,803 thousand compared with NT\$2,940,188 thousand in 2022. In terms of earnings, the 2023 net consolidated profit after tax is NT\$168,042 thousand, a decrease of NT\$153,623 thousand compared with a NT\$321,665 thousand net consolidated profit after tax in 2022.

##### 2. Analysis of profitability

Analysis item		2022	2023
Analysis of profitability	Return on asset (%)	10.13%	5.27%
	Return on equity (%)	17.25%	8.31%
	Paid-in capital stock (%)	Operating profit	41.84%
		Profit (loss) before tax	37.37%
	Net profit margin (%)		10.94%
	Basic Earnings (loss) per share (NTD)		4.85

Note: The calculation is based on the consolidated financial statements in 2023

### (III) R&D status:

#### 1. The business group of high-frequency connector

Most of the products developed and produced by the Company are classified as high-frequency connector, which have strict requirements for the stability and reliability of the products. The cable television and wired broadband industry are the major applications of various products. To respond to the rapid development of the industry, our technology R&D team improved the product design and development ability via utilizing the Company's resources and actively attending technology conferences held by each research institution. In addition, to be a leading company in the industry and correspond to the product demand of the global customers, we joined product standards institutes to grasp the latest standards of product specifications, develop and improve various products in a planned manner, and received the certifications of the safety standard units and the customers in each country.

As for the aspect of product expansion, we deployed the products by adding new types of crimp coaxial connector, optoelectronic integrated product, high-frequency isolator, coaxial filter, high shielding jumper and new type of high-frequency connector for cell sites. Regarding the improvement of production efficiency, we promoted lean plans in all plants and introduced intelligent manufacturing and assembly to effectively improve the production efficiency and yield rate. As for the talent cultivation, we continued to implement the education training in each department to enhance the coherence and the multi-skill training of the employees.

#### 2. Optical communication

Our research and development mainly focused on three application markets of fixed broadband, data center and 5G fronthaul and backhaul. For the application of the fixed broadband, our developed products included the XG-PON BOSA on board program, XGS-PON ONU transceiver that entered mass production and 10G-EPON/XGS-PON OLT optical transceiver module that completed the sample submission. Products expected to be developed contains the combo PON to upgrade the coexistence flexibility of GPON /XG-PON and the XGS-PON ONU mini stick applied to the fiber to the home. This mini stick also applies to a wide range of scenarios in the industrial network connection.

For the application of the Data center, the development of QSFP-SR4 AOC was completed and introduced into production due to the new standard of increasing the 25Gps Ethernet interface to 50Gps and the demand of upgrading the data center from 100Gbps to 400Gbps. As for the R&D projects under

planning, we had 400G QSFP-DD SR8 and SFP28-SR optical transceiver module.

For the 5G fronthaul and backhaul application, the related fronthaul products under developing were SFP28-LR and SFP28-BiDi optical transceiver module while backhaul product was the XGS-PON mini ONU stick that applies to small cell backhaul. It enables the small cell to use existing passive optical network for backhaul.

Besides, to fasten the development of the aforementioned products, the R&D team constantly increases the capability of high-frequency circuit design, software and firmware integration and packaging and testing as well as the optimization of manpower to respond to the R&D demand and the challenges in the future.

## II. The outline of the operational plan in 2024

### (I) Business policies

1. Stabilizing the basis of existing customer and developing new customers in the targeted industry to expand the market share.
2. Continuing to promote standardized products and increase the commonality of each product to provide convenient designs that meets the cost benefit for customers.
3. Reinforcing the human resource cultivation and implementing the performance assessment.
4. Integrating the customer demand and the manufacturing technology of the critical part suppliers to shorten the R&D time and reduce the cost effectively during the R&D phase of new products.
5. Ensuring the product quality and promoting the service satisfaction of the customers.
6. Continuing to introduce automated equipment into the production to increase the production efficiency and decrease the human capital.

### (II) Operational objectives

1. The business group of high-frequency connector

The goal of the sales volume is estimated to be 76,072,745.

2. Optical communication

The goal of the sales volume is estimated to be 33,675,285.

### (III) Core policies on production and sales

1. Production policy: We continue to optimize the production process, increase the yield rate and shorten the product delivery time. We also form a manufacturing system with economies of scale and rationalized cost via the

vertical integration.

2. Sales policy: We actively establish strategic alliance for marketing or partnerships with key customers to promote our core products and plan marketing project management based on the customer-oriented demand. In addition, we grasp the market dynamic messages and consumer trends to respond to the customer demand for diversified and real-time products.

### III. The future development strategies of the Company

#### (I) The business group of high-frequency connector

Along with the ever-changing communication networks, and the launch of the new specs related to the new broadband cable TV DOCSIS 4.0, the new responding technologies are researched and developed to catch the opportunities early when the generations of DOCSIS are replaced by the newer ones. Furthermore, regarding 5G mmWave and LEO satellites, the current technologies will be upgraded to the ultra-high frequency connectors and connecting cables for development, coping with the market of this communication field.

#### (II) Optical communication

In terms of long-term development strategy, the Company will improve internal technology in response to market and technology trends, develop vertical technology integration and diversify products for the market and closely follow market trends, such as the demand for applications to the high-speed optical transceiver modules, including high-speed optical receiver modules for 5G wireless access networks, data centers, cloud computing and edge computing applications. Considering that future high-speed devices will be based on the PIC technology, the Company will focus its future technology development on the products and programs related to PIC packaging.

Also, the Company will extend the business opportunities of optoelectronic packaging technology in other application markets, such as laser scanning, the medical field, etc... The training and acquisition of new technology capabilities are through technical development cooperation with domestic and foreign customers and domestic industrial research institutions to establish stable and competitive product technologies. For technical R&D personnel and organization, in addition to continuously recruiting practiced R&D personnel in the market, the Company will also conduct comprehensive on-the-job training to strengthen the professional technology and project management capabilities of the current R&D personnel.

### IV. Impact of the external competitive environment, regulation environment and the overall business environment

Due to the continuous Sino-US trade war, and the COVID-19 global pandemic just overcome, the consumer market has ushered in a new era... In addition, the vertical



integration of some competitors has made the low-price war become increasingly fierce, and the Company will continue to face the costs of key material acquisition, inventory control, production efficiency and the severe challenge of product delivery. However, the Company's management team and all employees will still adhere to their unremitting spirit to break through the difficulties and adversity faced, and make every effort to achieve the Company's annual growth goals and friendly operations in order to create maximum profits for the shareholders and the Company.

EZconn Corporation

Chairman: CHEN STEVE

Managerial officer: Chang Ying-Hua

Accounting Manager: Chuang Kuo-An

## Attachment 2

### **EZconn Corporation 2023 Audit Committee's Review Report**

Among the 2023 business report, financial statements, and surplus distribution, etc. of the Company prepared and submitted by the Board of Directors, the financial statement has been jointly audited by Jeff Chen and Kathy Huang, CPAs from Deloitte & Touche, and the review report has been issued after we have examined the aforesaid business report, financial statements, and surplus distribution etc., we have found no discrepancy, the report is hereby issued pursuant to Article 14 of the Securities and Exchange Act and Article 219 of Company Act by the Audit Committee fro examination.

Sincerely,

EZconn Corporation 2024 Annual Shareholders' Meeting

Convener of the Audit Committee: Peng, Xie-Ru (signature)

March 14, 2024

# Attachment 3

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
EZconn Corporation

### Opinion

We have audited the accompanying financial statements of EZconn Corporation (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's financial statements for the year ended December 31, 2023 are described as follows:

#### Occurrence of Sales Revenue from Specific Products

The sales revenue in 2023 decreased compared to that in 2022, with significant growth in sales revenue from specific products. Since sales revenue from specific products has a significant impact on the financial performance, we identified the occurrence of sales revenue as one of the key audit matters for the year ended December 31, 2023.

Refer to Notes 4 and 21 to the financial statements for the accounting policies, material accounting estimates and judgments, and other details on the information about sales revenue.

The main audit procedures we performed in response to the above-mentioned key audit matter are as follows:

1. We obtained an understanding of the design of the key controls over sales transactions, selected samples and tested the operating effectiveness of such controls.
2. We obtained the transaction details of the specific products, selected samples and examined the related transaction documents, and we confirmed that such transaction documents comply with the sales policies.
3. We obtained the transaction details of specific products and conducted test of details on the products.
4. We checked for significant sales returns and discounts and for any abnormalities in the payments after the reporting period.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.

The engagement partners on the audits resulting in this independent auditors' report are Chun-Hung Chen and Hsiu-Chun Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2024

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

# EZCONN CORPORATION

## BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 721,490	21	\$ 721,481	21
Financial assets at amortized cost - current (Notes 4 and 8)	74,415	2	13,228	-
Notes receivable (Notes 4 and 9)	1,155	-	3,175	-
Trade receivables (Notes 4 and 9)	403,200	12	553,692	16
Other receivables from unrelated parties (Notes 4 and 9)	14,449	1	16,907	1
Other receivables from related parties (Notes 4 and 27)	-	-	1,500	-
Inventories (Notes 4, 5 and 10)	466,480	14	563,609	17
Prepayments	41,545	1	12,204	-
Other current assets	1,335	-	621	-
Total current assets	<u>1,724,069</u>	<u>51</u>	<u>1,886,417</u>	<u>55</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	89,386	3	30,077	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 28)	2,309	-	2,284	-
Investments accounted for using the equity method (Notes 4 and 11)	786,916	23	924,411	27
Property, plant and equipment (Notes 4, 12, 27 and 28)	382,051	11	399,797	12
Right-of-use assets (Notes 4 and 13)	11,620	1	70,628	2
Intangible assets (Notes 4 and 14)	2,524	-	2,836	-
Deferred tax assets (Notes 4 and 23)	109,328	3	100,561	3
Prepayments for equipment	706	-	878	-
Refundable deposits	2,968	-	3,040	-
Prepayments for building and land (Note 12)	280,000	8	-	-
Total non-current assets	<u>1,667,808</u>	<u>49</u>	<u>1,534,512</u>	<u>45</u>
<b>TOTAL</b>	<u>\$ 3,391,877</u>	<u>100</u>	<u>\$ 3,420,929</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 15)	\$ 330,000	10	\$ 330,000	10
Notes payable (Note 16)	6	-	26,488	1
Trade payables to unrelated parties (Note 16)	107,713	3	166,219	5
Trade payables to related parties (Notes 16 and 27)	226,628	7	171,609	5
Other payables (Notes 17 and 27)	316,066	9	241,713	7
Current tax liabilities (Notes 4 and 23)	36,310	1	50,969	2
Provisions - current (Notes 4 and 18)	-	-	8,055	-
Lease liabilities - current (Notes 4 and 13)	6,868	-	12,918	-
Current portion of long-term borrowings (Notes 15 and 28)	12,000	-	12,000	-
Other current liabilities (Notes 4, 17 and 21)	52,917	2	55,938	2
Total current liabilities	<u>1,088,508</u>	<u>32</u>	<u>1,075,909</u>	<u>32</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 15 and 28)	206,000	6	218,000	6
Deferred tax liabilities (Notes 4 and 23)	7,906	1	31,044	1
Lease liabilities - non-current (Notes 4 and 13)	5,192	-	59,253	2
Net defined benefit liabilities (Notes 4 and 19)	33,545	1	44,472	1
Total non-current liabilities	<u>252,643</u>	<u>8</u>	<u>352,769</u>	<u>10</u>
Total liabilities	<u>1,341,151</u>	<u>40</u>	<u>1,428,678</u>	<u>42</u>
<b>EQUITY (Notes 4 and 20)</b>				
Ordinary shares	663,000	19	693,000	20
Capital surplus	225,635	7	234,872	7
Retained earnings				
Legal reserve	276,278	8	243,893	7
Special reserve	117,072	4	117,072	3
Unappropriated earnings	850,197	25	920,911	27
Total retained earnings	1,243,547	37	1,281,876	37
Other equity	(81,456)	(3)	(106,644)	(3)
Treasury shares	-	-	(110,853)	(3)
Total equity	<u>2,050,726</u>	<u>60</u>	<u>1,992,251</u>	<u>58</u>
<b>TOTAL</b>	<u>\$ 3,391,877</u>	<u>100</u>	<u>\$ 3,420,929</u>	<u>100</u>

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

# EZCONN CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 21 and 27)	\$ 2,399,389	100	\$ 2,610,978	100
COST OF REVENUE (Notes 10, 19, 22 and 27)	<u>1,644,065</u>	<u>68</u>	<u>1,883,350</u>	<u>72</u>
GROSS PROFIT	<u>755,324</u>	<u>32</u>	<u>727,628</u>	<u>28</u>
OPERATING EXPENSES (Notes 9, 19, 22 and 27)				
Selling and marketing expenses	337,196	14	278,611	11
General and administrative expenses	164,406	7	167,829	6
Research and development expenses	73,010	3	77,318	3
Expected credit gain	<u>(5,087)</u>	<u>-</u>	<u>(2,886)</u>	<u>-</u>
Total operating expenses	<u>569,525</u>	<u>24</u>	<u>520,872</u>	<u>20</u>
PROFIT FROM OPERATIONS	<u>185,799</u>	<u>8</u>	<u>206,756</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11 and 22)				
Interest income	19,743	1	5,432	-
Other income	1,187	-	428	-
Other gains and losses	5,343	-	117,012	4
Share of profit of associates accounted for using the equity method	8,856	-	83,344	3
Finance costs	<u>(12,594)</u>	<u>-</u>	<u>(9,394)</u>	<u>-</u>
Total non-operating income and expenses	<u>22,535</u>	<u>1</u>	<u>196,822</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	208,334	9	403,578	15
INCOME TAX EXPENSE (Notes 4 and 23)	<u>40,292</u>	<u>2</u>	<u>81,913</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>168,042</u>	<u>7</u>	<u>321,665</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 7, 19 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	5,581	-	3,072	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	41,309	2	(4,307)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(9,168)</u>	<u>(1)</u>	<u>84</u>	<u>-</u>

(Continued)



# EZCONN CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:	\$ 37,722	1	\$ (1,151)	-
Exchange differences on translating foreign operations	(10,086)	-	18,815	1
Income tax related to items that may be reclassified subsequently to profit or loss	2,017	-	(3,763)	-
	<u>(8,069)</u>	<u>-</u>	<u>15,052</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>29,653</u>	<u>1</u>	<u>13,901</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 197,695</u>	<u>8</u>	<u>\$ 335,566</u>	<u>13</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 2.53</u>		<u>\$ 4.85</u>	
Diluted	<u>\$ 2.52</u>		<u>\$ 4.80</u>	

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

(Concluded)

# EZCONN CORPORATION

## STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Other Equity (Notes 4 and 20)											
	Share Capital (Note 20)		Capital Surplus (Note 20)	Retained Earnings (Note 20)				Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares (Note 20)	Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2022	69,300	\$ 693,000	\$ 234,872	\$ 233,370	\$ 106,641	\$ 697,571	\$ 1,037,582	\$ (103,987)	\$ (13,085)	\$ (117,072)	\$ (110,853)	\$ 1,737,529
Appropriation of 2021 earnings												
Legal reserve	-	-	-	10,523	-	(10,523)	-	-	-	-	-	-
Special reserve	-	-	-	-	10,431	(10,431)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(79,560)	(79,560)	-	-	-	-	(79,560)
Change in percentage of ownership interest in associates	-	-	-	-	-	-	-	-	-	-	-	-
Other change in capital surplus												
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	(1,284)	(1,284)	-	-	-	-	(1,284)
Net profit for the year ended December 31, 2022	-	-	-	-	-	321,665	321,665	-	-	-	-	321,665
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,458	2,458	15,052	(3,609)	11,443	-	13,901
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	324,123	324,123	15,052	(3,609)	11,443	-	335,566
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,015	1,015	-	(1,015)	(1,015)	-	-
BALANCE AT DECEMBER 31, 2022	69,300	693,000	234,872	243,893	117,072	920,911	1,281,876	(88,935)	(17,709)	(106,644)	(110,853)	1,992,251
Cancellation of treasury shares	(3,000)	(30,000)	(9,247)	-	-	(71,606)	(71,606)	-	-	-	110,853	-
Exercising the right of imputation	-	-	10	-	-	-	-	-	-	-	-	10
Appropriation of 2022 earnings												
Legal reserve	-	-	-	32,385	-	(32,385)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(139,230)	(139,230)	-	-	-	-	(139,230)
Net profit for the year ended December 31, 2023	-	-	-	-	-	168,042	168,042	-	-	-	-	168,042
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	4,465	4,465	(8,069)	33,257	25,188	-	29,653
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	172,507	172,507	(8,069)	33,257	25,188	-	197,695
BALANCE AT DECEMBER 31, 2023	66,300	\$ 663,000	\$ 225,635	\$ 276,278	\$ 117,072	\$ 850,197	\$ 1,243,547	\$ (97,004)	\$ 15,548	\$ (81,456)	\$ -	\$ 2,050,726

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

# EZCONN CORPORATION

## STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 208,334	\$ 403,578
Adjustments for:		
Depreciation expense	47,373	48,344
Amortization expense	1,607	1,042
Expected credit loss reversed on trade receivables	(5,087)	(2,886)
Finance costs	12,594	9,394
Interest income	(19,743)	(5,432)
Share of profit of subsidiaries accounted for using the equity method	(8,856)	(83,344)
Loss (Gain) on disposal of property, plant and equipment	732	(5)
Gain on lease modification	(1,433)	-
Write-down of inventories	39,491	15,105
Unrealized loss on foreign currency exchange	3,353	-
Reversal of provisions	(8,055)	-
Changes in operating assets and liabilities		
Notes receivable	2,020	(390)
Trade receivables	155,579	8,808
Other receivables from unrelated parties	4,154	(1,130)
Other receivables from related parties	1,500	(1,500)
Inventories	57,638	(177,196)
Prepayments	(29,341)	22,689
Other current assets	(714)	821
Notes payable	(26,482)	25,399
Trade payables to unrelated parties	(58,506)	(79,628)
Trade payables to related parties	55,019	55,295
Other payables	74,201	70,747
Other current liabilities	(3,021)	(14,061)
Net defined benefit liabilities	(5,346)	(5,316)
Cash generated from operations	497,011	290,334
Interest received	18,047	4,557
Dividend received	151,405	-
Interest paid	(12,395)	(9,420)
Income tax paid	(109,147)	(49,881)
Net cash generated from operating activities	544,921	235,590
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(18,000)	(10,000)
Purchase of financial assets at amortized cost	(262,220)	(15,412)
Proceeds from sales of financial assets at amortized cost	197,655	15,190
Acquisition of associate accounted for using the equity method	-	(30,000)
Payments for property, plant and equipment	(16,301)	(36,914)
Proceeds from disposal of property, plant and equipment	28	139
Decrease (increase) in refundable deposits	72	(214)
Payments for intangible assets	(1,295)	(2,706)

(Continued)

## **EZCONN CORPORATION**

### **STATEMENTS OF CASH FLOWS**

**(In Thousands of New Taiwan Dollars)**

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	<b>2023</b>	<b>2022</b>
Increase in prepayment for building and land	\$ (280,000)	\$ -
Net cash used in investing activities	<u>(380,061)</u>	<u>(79,917)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,460,000	2,692,025
Repayments of short-term borrowings	(1,460,000)	(2,632,025)
Repayments of long-term borrowings	(12,000)	-
Repayment of the principal portion of lease liabilities	(13,631)	(13,303)
Cash dividends paid	(139,230)	(79,560)
Exercising the right of imputation	<u>10</u>	<u>-</u>
Net cash used in financing activities	<u>(164,851)</u>	<u>(32,863)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>9</b>	<b>122,810</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>721,481</b></u>	<u><b>598,671</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 721,490</b></u>	<u><b>\$ 721,481</b></u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
EZconn Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of EZconn Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 are described as follows:

#### Occurrence of Sales Revenue from Specific Products

The sales revenue in 2023 decreased compared to that in 2022, with significant growth in sales revenue from specific products. Since sales revenue from specific products has a significant impact on financial performance, we identified the occurrence of sales revenue as one of the key audit matters for the year ended December 31, 2023.

Refer to Notes 4 and 32 to the consolidated financial statements for the accounting policies, material accounting estimates and judgments, and other details on the information about sales revenue.

The main audit procedures we performed in response to the above-mentioned key audit matter are as follows:

1. We obtained an understanding of the design of the key controls over sales transactions, selected samples and tested the operating effectiveness of such controls.
2. We obtained the transaction details of the specific products, selected samples and examined the related transaction documents, and we confirmed that such transaction documents comply with the sales policies.
3. We obtained the transaction details of specific products and conducted test of details on the products.
4. We checked for significant sales returns and discounts and for any abnormalities in the payments after the reporting period.

#### **Other Matter**

We have also audited the parent company only financial statements of EZconn Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

The engagement partners on the audits resulting in this independent auditors' report are Chun-Hung Chen and Hsiu-Chun Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2024

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*



# **EZCONN CORPORATION AND SUBSIDIARIES**

## **CONSOLIDATED BALANCE SHEETS**

**(In Thousands of New Taiwan Dollars)**

	<b>2023</b>		<b>2022</b>	
<b>ASSETS</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,000,415	30	\$ 983,593	29
Financial assets at amortized cost - current (Notes 4 and 8)	94,271	3	33,027	1
Notes receivable (Notes 4 and 9)	5,246	-	4,266	-
Trade receivables from unrelated parties (Notes 4 and 9)	440,962	13	621,454	18
Other receivables from unrelated parties (Notes 4 and 9)	17,102	1	18,653	1
Other receivables from related parties (Notes 4 and 28)	-	-	1,500	-
Inventories (Notes 4, 5 and 10)	602,362	18	798,376	23
Prepayments	44,544	1	14,725	1
Other current assets	4,336	-	13,795	-
Total current assets	<u>2,209,238</u>	<u>66</u>	<u>2,489,389</u>	<u>73</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	89,386	3	30,077	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	2,309	-	2,284	-
Investments accounted for using the equity method (Notes 4 and 12)	39,900	1	56,413	2
Property, plant and equipment (Notes 4, 13 and 29)	556,492	17	608,478	18
Right-of-use assets (Notes 4 and 14)	33,649	1	94,906	3
Intangible assets (Notes 4 and 15)	7,591	-	9,740	-
Deferred tax assets (Notes 4 and 24)	125,218	4	114,702	3
Prepayments for equipment	988	-	1,083	-
Refundable deposits	3,046	-	3,155	-
Prepayments for building and land (Note 13)	280,000	8	-	-
Total non-current assets	<u>1,138,579</u>	<u>34</u>	<u>920,838</u>	<u>27</u>
<b>TOTAL</b>	<u>\$ 3,347,817</u>	<u>100</u>	<u>\$ 3,410,227</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 330,000	10	\$ 330,000	10
Notes payable (Note 17)	6	-	26,488	1
Trade payables (Note 17)	187,396	6	227,644	7
Other payables (Note 18)	388,197	12	304,712	9
Current tax liabilities (Notes 4 and 24)	45,840	1	64,179	2
Provisions - current (Notes 4 and 19)	-	-	8,055	-
Lease liabilities - current (Notes 4 and 14)	8,090	-	14,097	-
Current portion of long-term borrowings (Notes 16 and 29)	12,000	-	12,000	-
Other current liabilities (Notes 4, 18 and 22)	62,742	2	66,244	2
Total current liabilities	<u>1,034,271</u>	<u>31</u>	<u>1,053,419</u>	<u>31</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 16 and 29)	206,000	6	218,000	7
Deferred tax liabilities (Notes 4 and 24)	7,906	-	31,044	1
Lease liabilities - non-current (Notes 4 and 14)	6,113	-	61,404	2
Net defined benefit liabilities (Notes 4 and 20)	33,545	1	44,472	1
Other non-current liabilities	9,256	1	9,637	-
Total non-current liabilities	<u>262,820</u>	<u>8</u>	<u>364,557</u>	<u>11</u>
Total liabilities	<u>1,297,091</u>	<u>39</u>	<u>1,417,976</u>	<u>42</u>
<b>EQUITY (Notes 4 and 21)</b>				
Ordinary shares	663,000	20	693,000	20
Capital surplus	225,635	7	234,872	7
Retained earnings				
Legal reserve	276,278	8	243,893	7
Special reserve	117,072	4	117,072	3
Unappropriated earnings	850,197	25	920,911	27
Total retained earnings	<u>1,243,547</u>	<u>37</u>	<u>1,281,876</u>	<u>37</u>
Other equity	(81,456)	(3)	(106,644)	(3)
Treasury shares	-	-	(110,853)	(3)
Total equity	<u>2,050,726</u>	<u>61</u>	<u>1,992,251</u>	<u>58</u>
<b>TOTAL</b>	<u>\$ 3,347,817</u>	<u>100</u>	<u>\$ 3,410,227</u>	<u>100</u>

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

# EZCONN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 22 and 28)	\$ 2,617,385	100	\$ 2,940,188	100
COST OF REVENUE (Notes 10, 20 and 23)	<u>1,686,998</u>	<u>64</u>	<u>2,004,967</u>	<u>68</u>
GROSS PROFIT	<u>930,387</u>	<u>36</u>	<u>935,221</u>	<u>32</u>
OPERATING EXPENSES (Notes 9, 20, 23 and 28)				
Selling and marketing expenses	350,379	13	291,309	10
General and administrative expenses	254,837	10	249,793	8
Research and development expenses	104,354	4	107,090	4
Expected credit gain	<u>(5,116)</u>	<u>-</u>	<u>(2,897)</u>	<u>-</u>
Total operating expenses	<u>704,454</u>	<u>27</u>	<u>645,295</u>	<u>22</u>
PROFIT FROM OPERATIONS	<u>225,933</u>	<u>9</u>	<u>289,926</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13 and 23)				
Interest income	25,200	1	6,273	-
Other income	9,727	-	4,835	-
Other gains and losses	16,144	1	138,130	5
Finance costs	(12,738)	-	(9,470)	-
Share of loss of associates accounted for using the equity method	<u>(16,513)</u>	<u>(1)</u>	<u>(3,318)</u>	<u>-</u>
Total non-operating income and expenses	<u>21,820</u>	<u>1</u>	<u>136,450</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	247,753	10	426,376	15
INCOME TAX EXPENSE (Notes 4 and 24)	<u>79,711</u>	<u>3</u>	<u>104,711</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>168,042</u>	<u>7</u>	<u>321,665</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 7, 20 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	5,581	-	3,072	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	41,309	1	(4,307)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(9,168)</u>	<u>-</u>	<u>84</u>	<u>-</u>

(Continued)

# EZCONN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:	\$ 37,722	1	\$ (1,151)	-
Exchange differences on translating foreign operations	(10,086)	-	18,815	-
Income tax relating to items that may be reclassified subsequently to profit or loss	2,017	-	(3,763)	-
	(8,069)	-	15,052	-
Other comprehensive income for the year, net of income tax	29,653	1	13,901	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 197,695	8	\$ 335,566	11
EARNINGS PER SHARE (Note 25)				
Basic	\$ 2.53		\$ 4.85	
Diluted	\$ 2.52		\$ 4.80	

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

# EZCONN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Share Capital (Note 21)		Capital Surplus (Note 21)	Retained Earnings (Note 21)				Other Equity (Notes 4 and 21)			Treasury Shares (Note 21)	Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Comprehensive Income	Total		
BALANCE AT JANUARY 1, 2022	69,300	\$ 693,000	\$ 234,872	\$ 233,370	\$ 106,641	\$ 697,571	\$ 1,037,582	\$ (103,987)	\$ (13,085)	\$ (117,072)	\$ (110,853)	\$ 1,737,529
Appropriation of 2021 earnings												
Legal reserve	-	-	-	10,523	-	(10,523)	-	-	-	-	-	-
Special reserve	-	-	-	-	10,431	(10,431)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(79,560)	(79,560)	-	-	-	-	(79,560)
Other change in capital surplus:												
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	(1,284)	(1,284)	-	-	-	-	(1,284)
Net profit for the year ended December 31, 2022	-	-	-	-	-	321,665	321,665	-	-	-	-	321,665
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,458	2,458	15,052	(3,609)	11,443	-	13,901
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	324,123	324,123	15,052	(3,609)	11,443	-	335,566
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,015	1,015	-	(1,015)	(1,015)	-	-
BALANCE AT DECEMBER 31, 2022	69,300	693,000	234,872	243,893	117,072	920,911	1,281,876	(88,935)	(17,709)	(106,644)	(110,853)	1,992,251
Cancellation of treasury shares	(3,000)	(30,000)	(9,247)	-	-	(71,606)	(71,606)	-	-	-	110,853	-
Exercising the right of imputation	-	-	10	-	-	-	-	-	-	-	-	10
Appropriation of 2022 earnings												
Legal reserve	-	-	-	32,385	-	(32,385)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(139,230)	(139,230)	-	-	-	-	(139,230)
Net profit for the year ended December 31, 2023	-	-	-	-	-	168,042	168,042	-	-	-	-	168,042
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	4,465	4,465	(8,069)	33,257	25,188	-	29,653
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	172,507	172,507	(8,069)	33,257	25,188	-	197,695
BALANCE AT DECEMBER 31, 2023	<u>66,300</u>	<u>\$ 663,000</u>	<u>\$ 225,635</u>	<u>\$ 276,278</u>	<u>\$ 117,072</u>	<u>\$ 850,197</u>	<u>\$ 1,243,547</u>	<u>\$ (97,004)</u>	<u>\$ 15,548</u>	<u>\$ (81,456)</u>	<u>\$ -</u>	<u>\$ 2,050,726</u>

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

# EZCONN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 247,753	\$ 426,376
Adjustments for:		
Depreciation expenses	86,885	85,558
Amortization expenses	3,664	2,878
Expected credit loss reversed on trade receivables	(5,116)	(2,897)
Finance costs	12,738	9,470
Interest income	(25,200)	(6,273)
Share of loss of associates accounted for using the equity method	16,513	3,318
Loss on disposal of property, plant and equipment	1,092	1,133
Gain on lease modification	(1,433)	-
Write-down of inventories	58,650	18,059
Reversal of provisions	(8,055)	-
Changes in operating assets and liabilities		
Notes receivable	(980)	(591)
Trade receivables from unrelated parties	185,563	11,546
Other receivables from unrelated parties	3,246	2,715
Other receivables from related parties	1,500	(1,500)
Inventories	138,752	(85,592)
Prepayments	(29,819)	24,357
Other current assets	9,459	(9,745)
Notes payable	(26,482)	25,399
Trade payables	(40,248)	(108,966)
Other payables	78,443	69,582
Other current liabilities	(3,502)	(14,390)
Net defined benefit liabilities	(5,346)	(5,316)
Cash generated from operations	698,077	445,121
Interest received	23,505	5,393
Interest paid	(12,539)	(9,496)
Income tax paid	(138,982)	(70,733)
Net cash generated from operating activities	570,061	370,285
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets a fair value through other comprehensive income	(18,000)	(10,000)
Purchase of financial assets at amortized cost	(282,433)	(35,369)
Proceeds from sales of financial assets at amortized cost	217,471	34,703
Acquisition of associate accounted for using the equity method	-	(30,000)
Payments for property, plant and equipment	(20,947)	(62,809)
Proceeds from disposal of property, plant and equipment	3,763	298
Decrease (increase) in refundable deposits	108	(206)
Payments for intangible assets	(1,408)	(2,706)
Increase in prepayment for building and land	(280,000)	-
Net cash used in investing activities	(381,446)	(106,089)

(Continued)

## **EZCONN CORPORATION AND SUBSIDIARIES**

### **CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(In Thousands of New Taiwan Dollars)**

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	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	\$ 1,460,000	\$ 2,692,025
Repayments of short-term borrowings	(1,460,000)	(2,632,025)
Repayments of long-term borrowings	(12,000)	-
Repayment of the principal portion of lease liabilities	(14,834)	(14,157)
Decrease in other non-current liabilities	(381)	(59)
Cash dividends paid	(139,230)	(79,560)
Exercising the right of imputation	<u>10</u>	<u>-</u>
Net cash used in financing activities	<u>(166,435)</u>	<u>(33,776)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(5,358)</u>	<u>26,031</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	16,822	256,451
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>983,593</u>	<u>727,142</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 1,000,415</u>	<u>\$ 983,593</u>

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

## Attachment 4

### **EZconn Corporation Surplus Distribution Statement**

2023

Unit: NT\$

Unappropriated Retained Earnings of Previous Years		749,295,937
Net Income of 2023	168,041,714	
Cancellation of Treasury Stocks	(71,605,952)	
Remeasurement of Defined Benefit Obligation	4,465,069	
Earnings in 2023 Available for Distribution		100,900,831
Appropriation of legal reserve (10%)		(10,090,083)
Reversal of Special Reserve		35,614,802
Retained Earnings Available for Distribution as of December 31, 2023		875,721,487
Distribution Item		
Cash Dividends		(158,760,000)
Unappropriated Retained Earnings		716,961,487

Chairman:

Manager:

Chief Accountant:

## Appendix 1

# Articles of Association of EZconn Corporation

### Chapter 1: General Principles

Article 1: The Company is incorporated pursuant to the regulations of the Company Act and is named as EZconn Corporation

Article 2: Businesses operated by the Company are as follows:

1. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
2. CC01060 Wired Communication Mechanical Equipment Manufacturing
3. CC01070 Wireless Communication Mechanical Equipment Manufacturing
4. CC01080 Electronics Components Manufacturing
5. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
6. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
7. CD01030 Motor Vehicles and Parts Manufacturing
8. CD01040 Motorcycles and Parts Manufacturing
9. CF01011 Medical Devices Manufacturing
10. CC01110 Computer and Peripheral Equipment Manufacturing
11. CQ01010 Mold and Die Manufacturing
12. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
13. F106030 Wholesale of Molds
14. F108031 Wholesale of Medical Devices
15. F113020 Wholesale of Electrical Appliances
16. F113030 Wholesale of Precision Instruments
17. F113070 Wholesale of Telecommunication Apparatus
18. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
19. F119010 Wholesale of Electronic Materials
20. F206030 Retail Sale of Molds
21. F208031 Retail Sale of Medical Apparatus
22. F213060 Retail Sale of Telecommunication Apparatus
23. F219010 Retail Sale of Electronic Materials
24. F601010 Intellectual Property Rights
25. F401010 International Trade
26. I501010 Product Designing
27. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The headquarters of the Company is in New Taipei City, when necessary; the branch may be incorporated both at home and abroad with the board resolution and approval of the competent authority.

Article 4: The Company may provide guarantees externally according to business needs.

Article 5: The Company may make investments to external parties according to business necessity and may become the limited partner of other companies per board resolution, and the total investment amount thereof may not be restricted by relevant reinvestment quotas as provided in Article 13 of the Company Act.



## **Chapter 2 Shares**

Article 6: The paid-in capital of the Company is NT\$1 billion in 100 million shares with a nominal amount par value of NT\$10 per share. The Board of Directors is authorized to issue them in batches. the shares issued may be divided into ordinary shares and preferred shares, NT\$100 million is reserved from the total paid-in capital in the preceding paragraph for the exercise of stock option when issuing the stock option certificate, warrant bond and preferred shares with warrants etc., dividing into a total of 10 million shares with NT\$10 per share, and it may be issued in batches.

Article 6-1: The rights and obligations attached to the preferred shares of the Company and other material conditions set for the issue are as follows:

1. In case of any surplus after annual accounting, the Company shall pay the taxes in accordance with the law and offset the accumulated losses before setting aside an amount for legal/special reserve and reversing the special reserve as required by laws. The remaining amount, if any, may be used in the distribution of dividends of the preferred shares of the year.
2. The annual rate of the dividends of per preferred share calculated based on the issue price shall not exceed 8%. The dividends shall be distributed in cash once a year on the base date set by the Board of Directors or by Chairman after being authorized by the Board of Directors. The dividends of the year of issuance and the year of recovery shall be calculated pro rata based on the number of days of issuance of the year. The issuance date shall be defined as the capital increase base date of the issuance of the preferred shares.
3. The dividends for preferred shares shall be distributed at the discretion of the Company. In case of no surplus or that the surplus is insufficient for the said distribution of dividends for the preferred shares, the Company may adopt a resolution and elect not to distribute dividends. In this case, the non-performance shall by no means be deemed as a breach of contract. If the preferred shares issued are non-accumulative, the undistributed dividends or unpaid amount due to insufficient surplus will not be deferred to the subsequent surplus years.
4. Except for the dividends set out in Subparagraph 2 of this Article, the preferred shareholders shall be excluded from the distribution in relation to surplus or APIC in cash or in the form of capitalization for ordinary shares if the preferred shares issued are non-participating.
5. Where the Company issues new shares in cash, the preferred shareholders and ordinary shareholders shall both be entitled to the same preemptive right.
6. For distribution of the Company's remaining assets, being inferior to all creditors, the preferred shareholders shall be in the same order as the holders of other preferred shares issued by the Company and have priority over the ordinary shareholders, provided that the amount distributed shall not exceed the sum calculated based on the number of outstanding preferred shares at the issue price at the time of distribution.
7. The preferred shareholders shall have the right to vote at the meetings of ordinary shareholders and may be elected as a director. They shall also have the right to vote at the meetings of preferred shareholders or meetings convened for matters regarding the rights and obligations of the preferred shareholders.
8. Where the preferred shares issued by the Company are convertible, the shares issued shall not be converted within three years from the date of issuance. The Board of Directors is authorized to otherwise determine the period during which the shares

may be converted as one of the conditions of issue. The holders of convertible preferred shares may apply for converting part or all of their preferred shares at the conversion ratio of one preferred share to one ordinary share (the conversion ratio shall be 1:1) according to the conditions of issue. After the conversion of convertible preferred shares into ordinary shares, the rights and obligations attached hereto shall be the same as those of ordinary shares. For the distribution of dividends of preferred shares converted, the amount shall be calculated pro rata based on the ratio of the number of days of issuance to the number of days of the year. However, the preferred shares that have been converted into ordinary shares before the ex-dividend base date set for the distribution of dividends of the year shall neither be included in the distribution of dividends of the preferred shares of the year nor the distribution of dividends in the subsequent years, provided that they may be included in the distribution of dividends of ordinary shares and APIC of the year. Generally, the dividends of the year shall be distributed either for the preferred shares or for the ordinary shares.

9. The preferred shares have no maturity date, nor shall the holders have right to ask the Company to redeem the preferred shares held by them. However, the Company may redeem all or part of the preferred shares at the original issue price at any time starting on the next day after the end of a 3-year period from the date of issue. The rights and obligations attached to the unredeemed preferred shares under the conditions of issue mentioned above shall remain unchanged. Should the Company decide to distribute dividends of the year, the dividends shall be calculated pro rata based on the number of days of issuance before the redemption.
10. The APIC of preferred shares issued at premium shall not be capitalized during the issuance period of the preferred shares.
11. The preferred shares shall not be listed for trading during the issuance period. However, in the case that all or part of the shares has been converted into ordinary shares, the Board of Directors is authorized to apply to the competent authority for listing and trading of ordinary shares in accordance with the relevant regulations whenever it finds appropriate.
12. The Board of Directors is authorized to otherwise determine the name, issue date, specific conditions of issue and other matters relevant to the preferred shares in accordance with the "Articles of Association" of the Company and relevant laws and regulations after considering the capital market and the intention of investors at the time of issue.

Article 7: Where the Company plans to transfer the shares bought back pursuant to law to the employees, and it is planned to transfer them to employees at a price lower than the average price in actual shares buyback pursuant to relevant laws and decrees, then it shall only be handled after the resolution by the last Shareholders' Meeting.

Pursuant to Article 56-1 of "Guidelines for Issuer to Raise and Issue Negotiable Securities," when the issuing subscription price of the Company is not restricted by the employee stock option certificate as stipulated in Article 53 of "Guidelines for Issuer to Raise and Issue Negotiable Securities," it shall only be handled after the resolution by the last Shareholders' Meeting.

The shares of the Company are registered shares signed or sealed by the director representing the company, and they will be issued after certification by the bank and may act as the stock issue certifier pursuant to law. The shares issued by the Company may be exempted from printing share certificates, but they shall be registered in a centralized securities depository enterprise.

Provisions in the preceding paragraph are applicable to the production and issue of corporate

bonds.

Measures for handling the stock affairs of the Company are subject to relevant laws and decrees and the regulations of competent authority.

Article 8: The registration of share transfer shall not be carried out within thirty days before General Meeting, within fifteen thirty days before Interim Shareholders' Meeting, or within five days before the base date on which the Company decides to distribute dividends and bonuses or other benefits.

### **Chapter 3 Shareholders' Meeting**

Article 9: There are two types of shareholders' meetings: regular meetings and special meetings. The former shall be held annually within six months after the end of the fiscal year, and the latter shall be held whenever necessary in accordance with relevant laws and regulations.

The shareholders shall be given a 30-day notice of regular meetings. For special meetings, the Company shall inform the shareholders of the date, place, and reason for convening the meeting at least 15 days before the meeting.

A meeting of preferred shareholders may be convened in accordance with relevant laws and regulations if necessary.

The Company's shareholders' meetings may be held through video conferencing or in a manner designated by the central competent authority.

Article 10: When a shareholder cannot attend the Shareholders' Meeting for a reason, such shareholder may issue a power of attorney printed by the Company to specify the scope of authorization to appoint the proxy to attend.

Article 11: Apart from the shares without voting right as prescribed in Article 179 Company Act, shareholders of the Company have one voting right for each share.

Article 12: Unless otherwise prescribed by relevant laws and decrees, the resolution of the Shareholders' Meeting shall be agreed by more than half of the voting rights of the shareholders attending in person or by proxy and representing more than half of the total shares issued.

According to the regulations of the competent authority, shareholders of the Company may also exercise the voting right electronically; shareholders exercising the voting right electronically will be deemed as attending in person, and relevant matters thereof shall be subject to laws and decrees.

Article 13: The Shareholders' Meeting shall be convened by the Chairman, and the Chairman is the chairperson; when the Chairman is absent, the Chairman may designate one director as the proxy; if not, directors may elect one person as the proxy; if the Shareholders' Meeting is convened by another entitled convenor other than the Board of Directors, such entitled convenor shall act as the chairperson, when there are more than two entitled convenors, one of them shall be mutually designated to preside.

Article 14: All resolutions of a Shareholders' Meeting shall be recorded in the minutes signed or sealed by the chairperson of the Shareholders' Meeting, and the minutes shall be distributed to the shareholders within twenty days after the meeting. The distribution of minutes in the preceding paragraph may be made by announcement.

### **Chapter 4 Directors and the Audit Committee**

Article 15: The Company sets five to nine directors with three years of the term of office, they will be elected by the Shareholders' Meeting from the persons with disposing capacity, and reappointment is acceptable if re-elected.

Among the aforesaid seats of directors, the number of independent directors shall be at

least two and no less than one-fifth of the total seats of directors. The qualification, shareholding, concurrent position restriction, nomination, election methods, and other matters of compliance shall be subject to relevant requirements of the competent authority of securities. Independent directors and non-independent directors shall be elected concurrently, and the election quota will be calculated separately.

Independent directors and non-independent directors shall be elected concurrently, and the election quota will be calculated separately.

The total shareholding ratio of

Article 15-1: For the election of directors, every share shall have the right to vote equivalent to the number of directors that should be elected, it may elect one person intensively or elect several persons respectively, and the ones representing votes will be elected.

Article 16: When the director's number of vacancies reaches to one-third of the total number or all independent directors are removed, the Board of Directors shall convene the extraordinary Shareholders' Meeting within thirty days for the by-election, and the term of office thereof is limited to make up the term of office of the original directors.

The Company may buy liability insurance for the directors within their term of office for the compensation liability borne within their scope of business execution.

When the term of the directors expires, and by-election may be arranged in time, extend the director's term of office until the assuming of office by the re-elected directors.

Article 17: The Board of Directors may elect a Director as Chairman and a Director as Vice Chairman at a meeting attended by more than two-thirds of the Directors after being approved by the majority of the Directors present. For external affairs, Chairman shall serve as the representative of the Company. Absence of Chairman due to personal leave or whatever reason shall be handled in accordance with Article 208 of the Company Act.

The members of the Board of Directors shall be notified of the meeting in writing, by e-mail, by fax, or through messaging software.

Where a director is unable to attend the meeting of the Board of Directors for whatever reason, he/she may appoint another director as his/her agent by preparing a letter of authorization specifying the scope of authority in regard to the cause of the convention. However, a Director may only represent one other Director.

Directors who attend a meeting through video conferencing shall be deemed to have been present in person.

Article 18: Unless otherwise prescribed by Company Act, the resolution of the Board of Directors shall be agreed upon by the majority of attending shareholders at a meeting attended by the majority of shareholders.

Article 19: The Company established its Audit Committee according to Article 14-4 of the Securities and Exchange Act, which comprised all Independent Directors. The Committee is responsible for executing the function of supervisors required by the Company Act, the Securities and Exchange Act, and other laws and regulations. Members, the exercise of functions, and other matters of the Audit Committee to be observed shall comply with relevant laws and regulations, and the organization regulation shall be otherwise formulated by the Board of Directors.

To strengthen the supervisory function and reinforce the management mechanisms, other functional committees may be established in due course according to the requirements of the Company.

Article 20: For the execution of duties of the Company by directors of the Company, regardless of operating profit or loss, the Company shall pay regular compensations such as transportation allowance and remuneration, etc., and the Board of Directors is

authorized to determine their remuneration based on their degree of participation in and value of the contribution to the Company operation and by referring to the normal standard of the industry. When surplus is available, compensation will be otherwise distributed according to the provisions of Article 24 hereof.

#### **Chapter 5 Managers**

Article 21: The Company may have managers whose appointment, dismissal and remuneration will be subject to the regulations of Article 29 of the Company Act.

Article 22: The Company may employ a consultant through Board resolution.

#### **Chapter 6 Accounting**

Article 23: At the end of each fiscal year, the Board of Directors of the Company shall prepare the following book of tables or forms, and submit the same to the annual shareholders' meeting for acknowledgment according to the legal process.

- (1) Business report.
- (2) Financial statements.
- (3) Proposal for surplus distribution or loss off-setting.

Article 24: If profits are available upon final settlement every year, the Company shall allocate no less than five percent as employee's compensation and no more than five percent as director's compensation, after distribution per resolution of the Board of Directors, taxes shall be paid pursuant to law, and then ten percent shall be allocated as the statutory surplus reserve, but it may be exempted if the statutory surplus reserve has already reached the total paid-up capital of the company; after the balance thereof has been allocated or revolved as special surplus reserve pursuant to laws and decrees or regulations of the competent authority, then it will be accumulated into the undistributed surplus, and Board of Directors may prepare surplus distribution proposal to propose to Shareholders' Meeting for distribution of reservation per resolution. to be utilized as the dividends that can be distributed to the preferred and ordinary shareholders

If the Company had accumulated losses in the previous year, if profits are available in the current year and before allocating employee's compensation and director's compensation, the losses shall be covered first, and the balance thereof will be allocated according to the proportions mentioned in preceding paragraph; besides, when employee's compensation is distributed by stock or in cash, the objects of distribution include the employees of affiliated companies meeting certain conditions.

The dividend policy shall focus on the shareholders' interest and consider the current and future status of the industry in which the Company operates, the growth stage, future financial planning, capital requirements, the satisfaction of shareholders' cash planning, and other factors. Under the principles of the balanced dividend, cash bonuses of shareholders shall be no less than ten percent of the total shareholder bonuses, and the actual distribution amount shall be subject to the distribution amount resolved by the shareholders' meeting. However, the total dividend distribution of the year shall not be lower than 10% of the earnings after tax of the year..

The Board is authorized to distribute the entire or partial distributable dividends and bonuses in cash through a resolution agreed by more than half of the attending directors at a meeting attended by more than two-thirds of the directors, and the resolution shall be reported at the upcoming shareholders' meeting.

When the Company has no loss, the Board is authorized to distribute the entire or partial legal reserve (the part exceeding 25% of the paid-in capital) and capital reserve fulfilling the requirements under the Company Act in cash through a resolution agreed by more than half of the attending directors at a meeting attended by more than two-thirds of the directors, and the

resolution shall be reported at the upcoming shareholders' meeting.

#### **Chapter 7 Supplemental Provisions**

Article 25: The articles of organization and working rules of the Company shall be otherwise formulated by the Board of Directors.

Article 26: Matters not covered herein shall be handled pursuant to the Company Act and relevant laws and decrees.

Article 27: The conclusion or amendment of these Articles of Association shall be carried out with the approval of the competent authority.

Article 28: These Articles of Association were concluded on August 21, 1996.

The first amendment was made on December 9, 2002.

The second amendment was made on December 24, 2002.

The third amendment was made on June 30, 2003.

The fourth amendment was made on June 30, 2004.

The fifth amendment was made on August 1, 2005.

The sixth amendment was made on September 3, 2007.

The seventh amendment was made on November 15, 2012.

The eighth amendment was made on December 7, 2012.

The ninth amendment was made on May 13, 2013.

The tenth amendment was made on May 15, 2015.

The eleventh amendment was made on June 21, 2016.

The twelfth amendment was made on June 10, 2019.

The thirteenth amendment was made on June 24, 2020.

The fourteenth amendment was made on July 22, 2021.

The fifteenth amendment was made on June 27, 2022.

The sixteenth amendment was made on June 6, 2023.

EZconn Corporation

Chairman: Chen, Steve

## Appendix 2

# **EZconn Corporation**

## **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. Laws and regulations referred to in the Rules are laws and regulations of the Republic of China.

Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Association, 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.

To convene an annual shareholders' meeting, a meeting handbook shall be prepared, and shareholders shall be notified 30 days in advance; for shareholders holding less than 1,000 registered shares, the Company may make an announcement on MOPS 30 days before the meeting. To convene an extraordinary shareholders' meeting, shareholders shall be notified 15 days in advance; for shareholders holding less than 1,000 registered shares, the Company may make an announcement on MOPS 30 days before the meeting.

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 the electronic form.

Election or dismissal of Directors, amendments to the Articles of Association, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by Directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The major content may be uploaded to the website designated by the competent authority of securities or the Company, and the link may be set out in the notice.

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

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at an annual shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a

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

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than ten days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

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 five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting, 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.

Article 6 The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders or proxies of shareholders (hereinafter, "shareholders") may hand in a sign-in card in lieu of signing in. The number of attending shares shall be calculated based on the attendance book or the sign-in cards, plus the number of shares exercising voting rights in writing or through electronic means.

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for 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 should be assigned to handle the registrations.

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

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a corporation 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 a proxy, it may designate only one person to represent it in the meeting.

Article 7 If a shareholders' meeting is convened by the Board, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Directors to act as chairperson, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chairperson. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chairperson.

When a Managing Director or a Director serves as the chairperson, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a corporate Director that serves as the chairperson.

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

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

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials 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.

Article 9 Attendance at shareholders' meetings shall be calculated based on the number 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, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chairperson shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the 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 chairperson 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 chairperson shall declare the meeting adjourned.

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

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

Article 10 If a shareholders' meeting is convened by the Board, 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.

The chairperson may not declare the meeting adjourned prior to the 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 chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board 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 chairperson 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 chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson 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 chairperson.

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 chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson 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 chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

When a corporate 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 chairperson may respond in person or direct relevant personnel to respond.

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 a 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 a 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 Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the 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; therefore, advisable the Company shall 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 two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 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 Association, 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 chairperson or a person designated by the chairperson shall announce the total number of voting rights represented by the attending shareholders. When there is no dissenting opinion raised by all attending shareholders after the chairperson has made inquiries, the proposal shall be deemed approved, and the validity shall be the same as a vote by ballot. If there is any dissenting opinion, adopt a vote by ballot according to the requirements in the preceding paragraph. A poll of the shareholders shall be performed for each proposal. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number 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 chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When anyone 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 chairperson, 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.

Article 14 The election of 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 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 Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson 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 chairperson'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.

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 and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

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

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

The chairperson 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 chairperson may prevent the shareholder from so doing.

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

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

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

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

Article 19 The Rules were implemented after being approved by the shareholders' meeting; the same shall apply upon any amendment.

Article 20: Amendment dates of the Rules

The rules were established on June 24, 2012.

The 1<sup>st</sup> amendment was made on June 30, 2014.

The 2<sup>nd</sup> amendment was made on June 22, 2017.

The 3<sup>rd</sup> amendment was made on Jun 24, 2020.

The 4<sup>th</sup> amendment was made on July 22, 2021.

## Appendix 3

### EZconn Corporation

#### Shareholding of Directors

1. As of April 20, 2024, the total outstanding shares of the Company is 75,600,000 shares; pursuant to the regulations of “Implementation Rules for Equity Percentage of Directors and Supervisors of Public Companies and Auditing,” the statutory number of shares held by all Directors is 6,048,000 shares.
2. As of the book closure date of the annual shareholders’ meeting, the shareholding of individual and all Directors recorded in the register of shareholders is as follows:

Book closure date: April 20, 2024

Title	Name	Date of appointment	Term of office	Shareholding upon appointment		Shareholding in the register of shareholders as of the book closure date	
				Number of shares	Proportion (%)	Number of shares	Proportion (%)
Chairman	SHC Consolidated Investors LLC Representative: Chen, Steve	2023.06.06	Three years	2,175,812	3.28	2,175,812	2.88
Director	Egtran Corporation Representative: Chang, Ying-Hua	2023.06.06	Three years	3,565,741	5.38	3,565,741	4.72
Director	Jia Jiu Investment Co., Ltd. Representative: Pan, Bo-cang	2023.06.06	Three years	840,000	1.27	928,371	1.23
Director	Transnational Investment Limited Representative: Lan, Chin-Yin	2023.06.06	Three years	1,562,602	2.36	1,562,602	2.07
Independent Director	Peng, Xie-Ru	2023.06.06	Three years	9,683	0.01	10,701	0.01
Independent Director	Ciou, Er-De	2023.06.06	Three years	0	0	0	0
Independent Director	Huang, Kui-Wen	2023.06.06	Three years	0	0	0	0
Total shareholding of Directors				8,153,838	12.30	8,243,227	10.91