

## **C-TECH UNITED CORP.**

# **Handbook for the 2023 Annual Meeting of Shareholders**

**Date: June 30<sup>th</sup>, 2023**

**Place: Meeting Room, 2F, No. 665, Zhongzheng Rd.,  
Xinxuang Dist., New Taipei**

**Meeting Mode: Offline Shareholders' Meeting**

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## **C-TECH UNITED CORP.**

### **I. Procedure for the 2023 Annual Meeting of Shareholders**

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Items
4. Ratification Items
5. Discussion and Election Items
6. Questions and Motions
7. Adjournment

# **C-TECH UNITED CORP.**

## **II. Agenda for the 2023 Annual Shareholders' Meeting**

**Time:** 9:00 am, June 30<sup>th</sup> (Friday), 2023

**Place:** Meeting Room, 2F, No. 665, Zhongzheng Rd., Xinzhuang Dist., New Taipei

**Chairperson:** Huang, Zhong-wei, Chair of the Board

### **1. Call the Meeting to Order**

### **2. Chairperson Remarks**

### **3. Report Items**

- 3.1 2022 Business Report
- 3.2 Audit Committee's Review Report on the 2022 Financial Statements
- 3.3 Amendment of Rules of Procedure for the Board's Meetings
- 3.4 Remuneration Received by the Directors, Including the Policy of Remuneration, Individual Remuneration Content, and the Remuneration Amount Report
- 3.5 The Report— The Company did not process the private placement of common shares approved by the 2021 Annual Shareholders' Meeting
- 3.6 The Countermeasures for the Company's Accumulated Loss Reaching One-half of the Company's Paid-in Capital

### **4. Ratification Items**

- 4.1 2022 Business Report and Financial Statements
- 4.2 2022 Loss Cover Proposal

### **5. Discussion and Election Items**

- 5.1 Amendment to the Articles of Incorporation
- 5.2 Amendment to the Process of Endorsements and Guarantees
- 5.3 Proposal of Reshuffling the Board (Including Independent Directors)
- 5.4 Proposal of Releasing the Prohibition on Directors and Their Representatives from Participation in Competitive Business
- 5.5 Proposal of Conducting Private Placement of Common Shares or Domestic Convertible Bonds (including secured and unsecured convertible corporate bonds)

### **6. Questions and Motions**

### **7. Adjournment**

### **【3. Report Items】**

**No.1:** 2022 Business Reportd

**Explanation:** The 2022 Business Report is attached as pp. [11-13], Attachment 1.

**No.2:** Audit Committee's Review Report on the 2022 Financial Statements

**Explanation:** The Aduit Committee's Review Report on the 2022 Financial Statements is attached as pp. [14], Attachment 2.

**No.3:** Amendment of Rules of Procedure for the Board's Meetings

**Explanation:** To partially amend the Rules of Procedure for the Board's Meetings according to the No.1110383263 decree issued by FSC to amend Regulations Governing Procedure for Board's Meetings of Public Companies on Aug. 5<sup>th</sup>, 2022. The comparison of before/after the amendment is attached as pp. [15-17], Attachment 3.

**No.4:** Remuneration Received by the Directors, Including the Policy of Remuneration, Individual Remuneration Content, and the Remuneration Amount Report

**Explanation:** The Company's policy, system, standard, and structure of remuneration are described in accordance with the responsibilities, risks, invested time, and other factors:

- (1) According to the Articles of Incorporation, the remuneration of the Directors is calculated based on the individual involvement of the Company's business and the value of the individual contribution. The Board is authorized to resolve the remuneration and shall refer to the domestic and international standards of the industry. The Articles of Incorporation also states that where the Company has a profit at the end of each fiscal year, the Company shall appropriate no more than 5% of the profit as the remuneration of the Directors.
- (2) The Company's remuneration for the Directors shall be audited by the Remuneration Committee according to the Individual Director's involvement in the Company's business and the value of the contribution. The rationality and the fairness of the risk and performance shall be associated with the received remuneration. The remuneration shall refer to the pay level in the market of the same trade and the remuneration proposal shall be submitted to the Board for a resolution.
- (3) The 2022 Breakdown of Individual Remuneration of Director is attached as pp. [18-19], Attachment 4.

**No.5:** The Company did not process the private placement of common shares approved by the 2021 annual meeting of shareholders

**Explanation:**

- (1) In response to the fund for the purposes such as strategic alliance, business development, improvement of financial structure, enrichment of the operational funds, and debt repayment, the shareholder's meeting has passed issuing private replacement within the quota of 20 million shares on Aug. 11<sup>th</sup>, 2021, and the Company shall conduct private placement for once within one year since the resolution of the shareholders' meeting.
- (2) The private placement will expire on Aug. 10<sup>th</sup>, 2011 after one year, and will not be processed after expiration.

**No.6:** The accumulated loss has reached one-half of the Company's paid-in capital, and the countermeasures in response to the issue.

**Explanation:**

- (1) After being audited by the accountant on Dec. 31<sup>st</sup>, 2022, the accumulated loss of the Company has reached one-half of the paid-in capital amounting to NT\$1,141,313,820. According to Article 211 of the Company Act, it must be reported to the shareholder's meeting.
- (2) The accumulated loss has reached one-half of the Company's paid-in capital, which resulted from the global pandemic, the recession of the economic growth, the fatigue of market consumption, and the end customers' destocking. Thus, the demand for the orders has been significantly shrunk, followed by the severe pressure of surplus production capacity and human resources, accompanied by the impact of rising material and freight costs.
- (3) The countermeasures:
  - i. for operation:
    - a. comprehensively reducing expenditures— to reduce the expenditure of administration, general affairs, and energy and curtail the controllable overhead expenses of every office.
    - b. downsizing the redundancy and dismissing the incompetent personnel.
  - ii. for finance:
    - a. In consideration of the Company's comprehensive operational program, it is proposed to gradually execute the Company's non-core related reinvestment in Meishengmei Development Co., Ltd. The total price of this transaction is NT\$252,000,000. The equity settlement was completed in February 2023 and the payment has been fully received.
    - b. In consideration of the Company's comprehensive operational program, the Board has approved executing all the shares of Chongqing Wusheng Electronic Technology Co., Ltd. The equity transfer is expected to be completed by the second quarter of 2023.
    - c. The accumulated loss has reached one-half of the paid-in capital. The Board proposed to cover the loss and improve the financial structure by allocating the legal reserve amounting to NT\$15,854,078 and the capital reserve amounting to NT\$ 551,914,853.
    - d. Inventory the use of the Company's office floors and equipment to organize idle office floors and idle equipment.
    - e. To enrich the operational funds and strengthen the competitiveness of the Company, the Board has approved conducting private placement of common shares or convertible bonds which are issued within a quota of 50,000,000 shares on November 10<sup>th</sup>, 2022. (The Board has replenished the issuing conditions on December 29<sup>th</sup>, 2022). It is proposed to be conducted in three tranches within one year from the resolution date of the shareholders' meeting.

## 【4. Ratification Items】

No.1

Proposed by the Board

Adoption of the 2022 Business Report and Financial Statements

**Explanation:**

- (1) The Company's financial statements—including balance sheet, comprehensive income statement, cash flows statement, changes in equity statement, etc— have been audited by Guo, Nai-hua, and Li, Li-hua, the accountants of Deloitte Taiwan, and have been submitted together with the business report to the Audit Committee for examination.
- (2) The accountant's audit report of 2022 and the financial statements (including consolidated financial statement) are attached as pp. [20~44], Attachment 5.
- (3) Please proceed to the adoption.

**Resolution:**

No.2

Proposed by the Board

Adoption of the 2022 Loss Cover Proposal

**Explanation:**

- (1) The Company reported an annual loss. Therefore, the Board proposes not to distribute dividends, and the remuneration for employees and directors.
- (2) The Company originally expected to cover the loss of NT\$800,488,969 with the legal reserve amounting to NT\$ 15,854,078 and capital reserve amounting to NT\$551,914,853. The loss after covered would be NT\$232,720,038.
- (3) 2022 Loss Cover Proposal is presented as the following. Please proceed to the adoption.

C-TECH UNITED CORP. 2022 Loss Cover Proposal		Unit: NT\$
Item		amount
Deficit yet to be compensated – at the beginning of 2022		(312,686,888)
Other comprehensive income of 2022		958,733
Unappropriated retained profit after amendmended		(311,728,155)
2022 Net loss after tax		(488,760,814)
2022 Deficit yet to be compensated		(800,488,969)
The compensation items		
1. legal reserve		15,854,078
2. capital reserve- share premium		551,914,853
Deficit yet to be compensated – at the end of 2022		(232,720,038)

Chairperson: Huang, Chong-wei, Manager: Huang, Chong-wei, Accounting Supervisor: Liu, Qi-wei

**Resolution:**

## **【5. Discussion and Election Items】**

### **No.1**

**Proposed by the Board**

Amendment of Articles of Incorporation

#### **Explanation:**

- (1) To meet the need of the Company's operation, it is proposed to amend some articles of the Articles of Incorporation.
- (2) The Comparison of the Articles of Incorporation Before and After the Amendment is attached as pp. [45], attachment 6.
- (3) Please proceed to the discussion.

#### **Resolution:**

### **No.2**

**Proposed by the Board**

Amendment of the Procedure of Endorsements and Guarantees

#### **Explanation:**

- (1) To meet the need of the Company's operation, it is proposed to amend some articles of the Procedure of Endorsements and Guarantees.
- (2) The Comparison of the Procedure of Endorsements and Guarantees Before and After Amendment is attached as pp. [46-47], Attachment 7
- (3) Please proceed to the discussion

#### **Resolution:**

### **No.3**

**Proposed by the Board**

Proposal of Reshuffling the Directors (Including Independent Directors)

#### **Explanation:**

- (1) The current term of the Directors (Including the Independent Directors) will be due on June 9<sup>th</sup>, 2023. Therefore, this shareholders' meeting shall reshuffle the Directors (including the Independent Directors) of the Board by election.
- (2) According to the Articles of Incorporation, this shareholders' meeting shall elect 8 Directors (including 4 Independent Directors). The new Directors shall start the new term upon the day of the election. The duration of the term is 3 years, from June 30<sup>th</sup>, 2023 to June 29<sup>th</sup>, 2027.
- (3) The Directors (including the Independent Directors) shall be elected from the nomination list. The shareholders shall elect Directors from the list.
- (4) The nomination list for the 8 Directors (including the 4 Independent Directors) presenting the nominee's education and experience is attached as pp. [48-49], Attachment 8.
- (5) Please proceed to the election.

#### **Result:**



**No.4****Proposed by the Board**

Proposal of Releasing the Prohibition on Directors and Their Representatives from Participation in Competitive Business

**Explanation:**

- (1) According to the Article 209 of the Company Act, a Director who does anything for himself or on behalf of another person that is within the scope of the Coporation's business, shall explain to shareholders' meeting the essential contents of such an act and secure its approval.
- (2) If the new Directors and shareholders of juridical persons who designate representatives elected from the 2023 shareholders' annual meeting have participated in any competitive business stated in Article 209 of the Company Act, on the condition without losing the Company's interest, it is proposed to the annual shareholders' meeting that the prohibition of participating in competitive business shall be released once the Director starts his/her term.
- (3) Please proceed to the discussion.

**Resolution****No.5****Proposed by the Board**

It is proposed to issue common shares or domestic convertible bonds (including secured or unsecured convertible bonds) by conducting private placement.

**Explanation:**

- (1) The Board has approved on November 10<sup>th</sup> and December 29<sup>th</sup>, 2022 at the Board's meeting to issue common shares or domestic convertible bonds (including secured or unsecured convertible bonds) by conducting private placement.
- (2) In response to the fund needed for the purposes such as business development, improvement of financial structure, and enrichment of the operational funds, it is proposed to introduce strategic investors to raise funds through private placements, to conduct private placements of common shares or domestic convertible corporate bonds (including secured or unsecured convertible bonds) in one or a combination of ways. The issued shares or the convertible common shares shall be conducted within the quota of 50,000,000.
- (3) To conduct (according to Section 6, Article 43-6, Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities) the private placement of marketable securities, the instructions are stated as follows:
  - i. The basis and rationality for the price setting
    - a. The real issued price per common share conducted by private placement shall be set at no less than 80% of the reference price. The reference price shall be determined by the higher of the two following calculations: 1. The simple average closing price of the common 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. 2. The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. In the future, it is not ruled out that the private placement price may be lower than the par value of the share, which is formulated according to the current laws and is reasonable. Where the price of each common share is affected by the market and is still lower than the par value of the share, the impact on shareholders' equity would be the accumulated loss produced by the difference between the actual private placement price and the par value. And this accumulated loss would be eliminated depending on the Company's operating condition. The actual date of determination and the actual price of private placement shall be submitted

to the shareholders' meeting to authorize the Board to set within the percentage which is determined at the shareholders' meeting and shall be set according to the conditions of the market and the Company and the selection of strategic investors. The aforementioned basis of private placement's price setting shall not only comply with the relevant regulation of Directions for Public Companies Conducting Private Placement of Securities but also be formulated with the regulation that within three years from the acquisition date of the private placement, there exist restrictions on the object and quantity of transferring the private placement of securities and that private placement of securities delivered within three years are forbidden to apply for public listing and offering to the competent authority. Therefore, the basis is reasonable.

- b. The issue price of the private placement of convertible bonds shall be no less than 80% of the theoretical price. The theoretical price shall be calculated based on an appropriate pricing model that is selected in consideration of the various right under the term of issuance. Where the actual issue price of the share is lower than the par value of the share due to the effect of factors in the security market, the fundraising would be regarded successful as the par value of the share has reflected the price in the market and has been conducted according to the basis for the price setting of laws and regulations. Where the value of the share is lower than the par value of the share that causes accumulated loss affecting the equity of shareholders, it shall, depending on the Company's operating condition and the market situation, be reported to the Board for a resolution to cover the loss by capital reduction, legal reserve, or capital reserve.
  - c. To maintain the best issue resilience, the detailed conditions such as price determination date, actual reference price, theoretical price, actual issue price, and the issue conditions (including the coupon rate, the conversion price of convertible bonds, the conversion period, and the conversion method) are yet to be determined. The shareholders' meeting is proposed to authorize the Board to set the conditions base on the situation of the capital market and the situation of selecting strategic investors. The aforementioned basis of private placement's price setting shall not only comply with the relevant regulation of Directions for Public Companies Conducting Private Placement of Securities but also be formulated with the regulation that within three years from the acquisition date of the private placement, there exist restrictions on the object and quantity of transferring the private placement of securities and the private placement of securities delivered within three years are forbidden to apply for public listing and offering to the competent authority. Therefore, the basis is reasonable.
- ii. The means of selecting the specified persons: The specified persons shall be selected from the strategic investors who agree with the Company's business philosophy and meet the qualification stated in Paragraph 1, Article 43-6, Securities and Exchange Act. The purpose, necessity, and expected benefit of seeking strategic investors who meet the conditions mentioned above are to assist the Company with techniques, knowledge, or access in response to the Company's long-term development. The relevant matters of seeking the specified persons are proposed to submit to the shareholders' meeting to grant the Board full authorization.
  - iii. The reasons necessitating the private placement
    - a. The reason for not adopting a public offering: the Company considers the conditions of the capital market, timeliness and feasibility of fundraising, the issuance cost, and the actual need of introducing strategic investors; in addition, considering that private placement is rather rapid and simple and that securities

issued by private placement are in principle subject to a three-year restriction on share transfer so that a long-term partnership between the Company and strategic investors can be better secured while authorizing the Board to conduct private placement in tranches and at appropriate timing according to the actual need of Company's business will also effectively improve the Company's mobility and flexibility in fundraising, the Company intends to issue common shares by private placement instead of adopting a public offering.

- b. Within the limit of no more than 50,000,000 shares, the private placement of common shares shall be issued in three tranches within one year from the date of the resolution of the shareholders' meeting.
  - c. The use and schedule of the fund raised by the private placement and the anticipated benefits: depending on market status and the situation of selecting specified investor, the fund raised from tranches of issued private placement of common shares will be used in full amount to enrich the Company's operating capital. The private placement fundraising is expected to improve the Company's competitiveness and operational efficiency, and it will also be beneficial to shareholders' equity.
- iv. The relevant restrictions on securities in this private placement are conducted according to Article 43-8, the Securities and Exchange Act, and relevant decrees of the competent authorities.
  - v. The essential content of this case, including but not limited to the issued price, the number of shares issued, the condition of issue, the amount raised, the plan for capital use, the scheduled progress, the estimated benefits, and other unfinished matters shall be submitted to the shareholders' meeting to fully authorize the Board. The same applies when it is approved by the competent authorities or when it is necessary to amend due to other circumstances.
- (4) To achieve the private placement of common shares or issuing domestic convertible bonds (including secured or unsecured convertible bonds), it is proposed that the shareholders' meeting authorize the Chair of the Board or his designated person to represent the Company to execute and negotiate all the contracts and documentation of the private placement and complete all necessary procedures regarding the private placement for the Company.
  - (5) Taishin Securities Co., Limited has issued the report— The Evaluation of the Necessity and Rationality of Conducting Private Placement of Common Shares and Convertible Bonds— in response to the Company's conducting private placement of common shares or domestic convertible bonds. The report is attached as pp. [50-55], Attachment 9.
  - (6) Please proceed to the discussion.

**Resolution:**

## **【6. Questions and Motions】**

## **【7. Adjournment】**

**Attachment 1****2022 Business Report**

Dear Shareholders,

Thank you for the long-term support for C-TECH UNITED CORP., the 2022 business achievement and the outlook for 2023 are stated as follows:

1. 2022 Business Report

(1) The Business Achievement

Due to the need for telework, wafer shortage, and the lockdown in China that stimulated the surge of laptop shipments, the PC industry is now on the way back to normal, which leads to the suppliers' sharp decline in shipment recently. The global laptop inventory continues to adjust, and the terminal demand is still affected by the downturn. The 2022 consolidated operating income of the Group was NT\$ 1,467,651 and it was reduced by 30% compared to 2021.

With the Company's vision of becoming the green energy system integrator of the world-class, the Company is actively conducting strategic transformation toward the market of two-wheel electric vehicle battery modules and small/medium energy storage modules and continues investment in R&D and equipment resources

The production line of the highly-automated Taipei Factory has been inaugurated. It can serve customers nearby and provide the resilience for productivity adjustment simultaneously. The proportion of E-Bike & Storage products in the Group's shipment in 2022 has increased from less than 10% in 2021 to nearly 20%. In 2023, they will challenge to exceed 30%. Because of their better performance in gross margin, they are believed to be the main profit of the Group in the near future.

(2) The Budget Execution: The Company's 2022 unannounced financial forecast

(3) Analysis of Financial Balance and Profitability

Unit: NT\$

Item	2022	2021	+(-) amount	+(-) percentage (%)
Business Income	1,467,651	2,175,627	(707,976)	-32.54%
Business Profit	174,767	240,975	(66,208)	-27.48%
Net Profit Loss	(136,321)	(78,964)	(57,357)	72.64%
Net Loss After Tax	(492,767)	(168,496)	(324,271)	192.45%

(4) Status of Research and Development: the expenditure and achievement of the recent R&D

Unit: NT\$

Year	Fund of R&D	Of Business Income %	Main Achievement
109	45,363	2.04%	1. lithium battery modules of electric scooter/ bicycle 2. lithium battery modules of energy storage/ UPS 3. lithium battery modules of 3C/ IT applications 4. battery modules of anti-burning runaway
110	79,113	3.64%	1. lithium battery modules of electric scooter/ bicycle 2. lithium battery modules of energy storage/ UPS 3. lithium battery modules of 3C/ IT applications 4. lithium battery modules with flame retardant materials of volatility 5. battery modules of phase changing endothermic material

111	86,873	5.92%	<ol style="list-style-type: none"> <li>1. ESS (energy storage system) of lithium battery modules</li> <li>2. UPS (uninterruptible power supply) of lithium battery modules</li> <li>3. BBP (backup battery power) of lithium battery modules</li> <li>4. lithium battery modules of 3C/ IT applications</li> <li>5. lithium battery modules of E-Bike</li> <li>6. lithium battery modules of E-Pedelec</li> <li>7. lithium battery modules of E-Scooter</li> <li>8. lithium battery modules of E-Motorcycle</li> </ol>
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## 2. 2023 Business Plan Outline

### (1) Strategy for Operation

- i. Strengthen the R&D and the manufacture of E-bike & Storage products, and cultivate the market of the two-wheel electric vehicle battery modules and equipment resources
- ii. Cooperate with strategic investors to establish a battery module platform, providing clients with full resolutions, and introducing the products into the market swiftly
- iii. Centralize the resource of the group, focusing on the development of core business

### (2) Expected Sales Performance

In 2023, it is expected that the average shipment of the laptop's battery pack can reach 900 million sets. The local content rate of the critical part— power protection board SMD can reach more than 70%, and the relevant products of energy storage and electric vehicles are expected to contribute more than 30% to the revenue. However, due to the tariff barriers remaining in the international economy, the concerns of the China-United State trade war, the shortage of workers and materials, and other uncertain factors, the Company will continue cultivating and broadening the proportion of non-IT products to diversify the risks.

### (3) Crucial Policies of Production and Marketing

- i. Strengthen the ability of R&D and design; respond to and satisfy the needs of the market and clients for developing new products.
- ii. Continue improving the products, process, and quality management system, to meet clients' requirements for products and services
- iii. Promote automatic production, improve production efficiency and yield, and reduce labor costs

## 3. The Company's strategy for future development is affected by external competition, laws and regulations, and the overall business operation.

### (1) The Strategy for Future Development

- i. Broaden the industries of electric vehicles and energy storage and integrate the business opportunities to increase their percentage of sales revenue.
- ii. Continue to strengthen automatic production, enhance production efficiency and yield, and lower the labor costs
- iii. Continue recruiting and training excellent R&D staff, improve the team's product development capabilities, and plan for operational capabilities assisting clients' global deployment
- iv. Focus on investment and strategic partners with comprehensive integration to accelerate business growth in non-IT fields

### (2) The impact of external competition, laws and regulations, and overall business operation

- i. Disadvantages

- a. The demand growth for IT products mainly comes from low-unit-priced laptops and Chromebook. The unit price of product OEM is facing downward pressure, which has a negative impact on revenue.
  - b. The global laptop inventory continues to adjust, and the terminal demand is still affected by the downturn.
  - c. The uncertain factors of the China-United State trade war remain, and the products of electric vehicles and 5G communication grow rapidly, which crowd out the supply of semiconductor components. In addition, the US's prohibition on Chinese semiconductor crucial technologies, materials, and production has aggravated the unbalance of semiconductors' industrial supply chain. The poor stability of related component supply has extended the lead time.
  - d. The Companys' sales are based on USD. NTD and RMB appreciating against the USD will have a negative impact on the group.
- ii. Advantages
- a. The pandemic has changed the way people live. The demand for electric bicycles combining the function of personal transportation and sport has increased, which broadens the business opportunities and application of lithium batterie's kinetic energy.
  - b. The promoted policies of renewable energy environment are beneficial to broadening the business opportunities of lithium battery's energy storage.

Withholding the business philosophy of practicing green energy, the Company continues to develop a transformation plan, striving to respond to the rapid-changing industry and business operations while actively dealing with non-core business. With our branded client's two-wheel electric vehicle gradually being put into mass production, our business operation will be more dynamic. The management team will deliver the best business performance to repay the support and trust of all shareholders to the management team.

With gratitude,

Chair person: Huang, Zhong-wei Manager: Huang, Zhong-wei Accounting Supervisor: Liu, Yi-wei

**Attachment 2**

**C-TECH UNITED CORP.**

**Audit Committee's Review Report on the 2022 Financial Statements**

The Company's financial statement and consolidated financial statement of 2022, were audited by Deloitte Taiwan along with the business report and the profit distribution.

The Audit Committee has approved the audit report issued by Deloitte Taiwan, and has approved the above-mentioned business report and profit distribution. The reports comply with the relevant regulations of the Company Act. Therefore, according to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, we hereby to submit this report.

Please review

The above is respectfully submitted to

The 2022 Annual Shareholders' Meeting of C-TECH UNITED CORP.

C-TECH UNITED CORP.

Convener of the Audit Committee:

Weng, Hong-lin

March 30<sup>th</sup>, 2023



**Attachment 3**

**C-TECH UNITED CORP.  
 Procedure for the Board Meeting  
 Comparison of Before/After Amendment**

Article	Suggested Amendment	Before Amendment	Explanation
Article 3.	The Board meeting shall be convened once a quarter. The reasons for convening the Board meeting shall be notified by e-mail, telephone, or mail seven days in advance. However, in case of an emergency, the meeting may be held at any time.	<p>The Board meeting shall be convened once a quarter. The reasons for convening the Board meeting shall be notified by e-mail, telephone, or mail seven days in advance. However, in case of an emergency, the meeting may be held at any time.</p> <p>The matters mentioned in Paragraph 1, Article 12 of this Procedure shall be listed in the reasons for convening instead of submitted by Questions and Motions unless there is an emergency or a justifiable reason.</p>	<p>1. Paragraphs 1 &amp; 2 have not been amended.          2. Given that the important matters regarding the Company's operation stated in Paragraph 1, Article 12 shall be specified in the reasons for convening so that the Directors could have enough time and information to evaluate the proposal before resolution. Therefore, the provision of Article 3 has been deleted. It is now specified that the matters mentioned in Paragraph 1, Article 12 shall be listed in the reasons for convening instead of submitted in Questions and Motions. In addition, in case the Company has urgent issues that shall be submitted to the Board for discussion, the meeting can be convened anytime according to Article 2, which may not have impacts on the Company's business or operation. The urgent meeting shall be convened at the time and place which are convenient for the Directors according to Article 6. And according to Article 4, the content and the information of the meeting shall be delivered along with the convening notice to the Board's members.</p>
Article 12	The following matters shall be submitted to the Board for discussion: 1. The business plan for the Company 2. Annual business report and the financial statement of the second	The following matters shall be submitted to the Board for discussion: 1. The business plan for the Company 2. Annual business report and the financial statement of the second	1. According to Article 208-1 and Article 208-2, the election of the Chair is included in the Board and the Executive Board's authority. The dismissal of the Chair is not regulated by

Article	Suggested Amendment	Before Amendment	Explanation
	<p>quarter, which shall be audited by the account</p> <p>3. According to Article 14-1 of the Securities and Exchange Act, the enactment of the regulations, the amendment &amp; revision of the department control system, and the assessment of the effectiveness of the internal control system</p> <p>4. According to Article 36-1 of the Securities and Exchange Act, the acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, endorsements or guarantees for others, and disclosure of financial projections.</p> <p>5. The offering, issuance, or private placement of any equity-type securities.</p> <p><u>6. The selection or dismissal of the Chair of the Board which does not have managing Directors.</u></p> <p>7. The dismissal of supervisors of financial affairs, accountants, or internal assessment.</p> <p>8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.</p> <p>9. According to Article 14-3 of the Securities and Exchange Act, the matters which shall be submitted to the Board or resolved by the Board, or any other material matter so required by the Competent Authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an</p>	<p>quarter, which shall be audited by the account</p> <p>3. According to Article 14-1 of the Securities and Exchange Act, the enactment of the regulations, the amendment &amp; revision of the department control system, and the assessment of the effectiveness of the internal control system</p> <p>4. According to Article 36-1 of the Securities and Exchange Act, the acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, endorsements or guarantees for others, and disclosure of financial projections.</p> <p>5. The offering, issuance, or private placement of any equity-type securities.</p> <p>6. The dismissal of supervisors of financial affairs, accountants, or internal assessment.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. According to Article 14-3 of the Securities and Exchange Act, the matters which shall be submitted to the Board or resolved by the Board, or any other material matter so required by the Competent Authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated</p>	<p>the Company Act. However, referring to the Ministry of Economic Affairs' explanation No. 09402105990 on August 2, 1994, the dismissal of the Chair is not stipulated in the Company Act. Unless otherwise provided by the procedure, it shall be more reasonable to make decisions by the originally elected Board or the executive Board.</p> <p>2. Referring to the aforementioned Company Act and the explanation of the Ministry of Economic Affairs and the fact that the dismissal and the selection are both important matters of the Company, a new Paragraph 6 is added to clarify that if the Board does not have executive directors, the selection and the dismissal of the Chair shall be submitted to the Board for discussions. The current Paragraphs 6 to 8 will be moved to Paragraphs 7 to 9. And according to Article 208-2, Company Act, the Chair elected by the executive Directors shall be also regulated by consistent with the procedures and rules for the election and dismissal of the Chair and shall apply mutatis mutandis to Article 18 of the Amendment.</p> <p>3. Paragraph 2 was amended to match the items involved in Paragraph 1, and items 3 to 4 were not amended.</p>

Article	Suggested Amendment	Before Amendment	Explanation
	<p>amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>If a company has an independent director or directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.</p>	<p>in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>If a company has an independent director or directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.</p>	
Article 18	<p>Article 2, Article 3-2, Article 4 to Article 6, Article 8 to Article 11, and Article 13 to Article 16 are applied to <u>the Company's Board meeting. Article 3-3 is applied to the election or the dismissal of the Chair.</u> However, if a meeting of Directors is scheduled to be convened within seven days, the notice to each managing Director may be made two days in advance.</p>	<p>Article 2, Article 3-2, Article 4 to Article 6, Article 8 to Article 11, and Article 13 to Article 16 are applied to the Company's Board meeting. However, if a meeting of Directors is scheduled to be convened within seven days, the notice to each managing Director may be made two days in advance.</p>	<p>To add the rule of electing and dismissing the Chair of the Board with executive Directors. The reason is the same as with Explanation 4,5, and 6 of Article 8.</p>

**Attachment 4**

**2022 Breakdown of Individual Remuneration of Director**

Unit: NT\$ thousand, thousand shares, %

Title	Name	Rumuneration of Director							The total of A, B,C,D and their propotions to net profit after tax		Relevant Remuneration received as an employee					The Total of A, B,C,D, E,F, and G, and their proportions to the after-tax net profit		The Remuneration Received from Outside the Subsidiary or Parent Company		
		Reward (A)		Retirement Pension (B)		Director Remuneration (C)		Business Excecution Costs (D)		Salary, Bonus and Special Expenses (E)		Retirement Pension (F)		Employee's Remuneration						
		The Company	All The Companies in the Financial Statement	The Company	All The Companies in the Financial Statement	The Company	All The Companies in the Financial Statement	The Company	All The Companies in the Financial Statement	The Company	All The Companies in the Financial Statement	The Company	All The Companies in the Financial Statement	The Company	All The Companies in the Financial Statement	The Company	All The Companies in the Financial Statement		The Company	All The Companies in the Financial Statement

																		u nt	u nt	u nt	u nt				
Chair	Representative of Mega Peak Investment Co. Ltd.: Huang , Zhong-wei	130	130	0	0	0	0	21	21	(0.03)	(0.03)	8,640	10,922	0	0	0	0	0	0	0	0	(1.80)	(2.27)	None	
Director	Representative of Zhaojie International Co., Ltd.: Huang , Jin-cheng	120	120	0	0	0	0	6	6	(0.03)	(0.03)	0	0	0	0	0	0	0	0	0	0	(0.03)	(0.03)	None	
Director	Representative of Zhaoxiang International Co., Ltd.: Wu, Zheng-qing	120	120	0	0	0	0	21	21	(0.03)	(0.03)	0	0	0	0	0	0	0	0	0	0	(0.03)	(0.03)	None	
Director	Li-Zhigui	110	110	0	0	0	0	21	21	(0.03)	(0.03)	0	0	0	0	0	0	0	0	0	0	(0.03)	(0.03)	None	
Independent Director	Weng, Hong-lin	120	120	0	0	0	0	39	39	(0.03)	(0.03)	0	0	0	0	0	0	0	0	0	0	(0.03)	(0.03)	None	
Independent Director	Xu, Yu-mei	120	120	0	0	0	0	42	42	(0.03)	(0.03)	0	0	0	0	0	0	0	0	0	0	(0.03)	(0.03)	None	
Independent Director	Zheng, Wen-long	120	120	0	0	0	0	42	42	(0.03)	(0.03)	0	0	0	0	0	0	0	0	0	0	(0.03)	(0.03)	None	

## **Attachment 5**

### **Independent Auditors' Report**

To the Board of Directors and Shareholders of C-Tech United Corporation

#### **Opinion**

We have audited the accompanying parent company only financial statements of C-Tech United Corporation (the “Company”), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors, as described in the other matter section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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”.

#### **Basic for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 judgement, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2022 is stated as follows:

Valuation of noncurrent assets held for sale

The Company had made decision on disposals of ownerships of investments of non-core business and recognized loss on investments at differences of fair value and carrying amount and reclassified as noncurrent assets held for sale in accordance with International Financial Reporting Standards No. 5 "Noncurrent assets held for sale and discontinued operations" for the year ended December 31, 2022. As of December 31, 2022, noncurrent assets held for sale amounted to NT\$298,023 thousand, representing 12% of total assets; the Company recognized loss on aforementioned noncurrent assets for held amounted to NT\$38,861 thousand, representing 8% of net loss for the current year. Refer to Note 4(11), 5(5) and 13 to the parent company only financial statements.

The abovementioned item is material to the consolidated financial statements, the Company's judgements on noncurrent assets held for sale has been identified as one of the key audit matters.

Our audit procedures related to abovementioned noncurrent assets held for sale included the following, among others:

1. Understand the process of disposal of subsidiaries and obtained the related meeting minutes of board of directors.
2. Obtain the valuation report of ownerships of disposal on investments, contracts or letters of intent to assess the rationality of the amount of loss on the subsidiaries and track the subsequent receipts and collections.

Valuation of investments using equity method

The Company recognized loss on investments using equity method amounted to NT\$160,004 thousand, representing 39% of consolidated operating loss before tax, due to the Company's investment using equity method had been dissolved for the year ended 2022. Refer to Note 4(7), 5(3), 13 and 22(3) to the parent company only financial statements.

The abovementioned item is material to the consolidated financial statements and involves the management's significant estimates and judgement, therefore valuation of investments using equity method has been identified as one of the key audit matters.

Our audit procedures related to abovementioned valuation of investments using equity method included the following, among others:

1. Understand the managements' policy of valuation on investments using equity method and procedures of disposals.
2. Obtain the base of valuation of investments using equity methods and the process of evaluation to confirm the rationality.

### Authenticity of specific sales revenue

In 2022, the Company's sales revenue from specific customers increased significantly and is therefore considered as a key audit matter for current year. For accounting policies relating to sales revenue, please refer to Note 4(13) to the parent company only financial statements.

We have conducted the main audit procedures for the abovementioned authenticity of the sales from specific customers as follows:

1. Understand and test the effectiveness of the design and implementation of key internal control systems for the authenticity of sales revenue from specific customers.
2. Obtain the sales details to sample and check the transaction documents of sales revenue of specific customers and receipts and collections to confirm the authenticity of the recognition of sales revenue.

### **Other Matters – Report of other auditors**

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information disclosed in Note 13 and Note 32 relative to these investments, is based solely on the audit reports of other auditors. Total assets of these associates and investments amounted to NT\$207,572 thousand, representing 7% of the total assets as of December 31, 2021, and total operating loss amounted to \$30,686 thousand, representing 19% of other comprehensive income(loss) for the year ended December 31, 2022.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company 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 Parent company only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the directions, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 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 Nai-Hua Guo and Li-Huang Lee.

Deloitte & Touche

Taipei, Taiwan

Republic of China

Nai-Hua Guo  
Financial Supervisory Commission  
Approved-certified No.:Jin-Guan-  
Certificate No. 1070323246

Li-Huang Lee.  
Former Securities and Futures Commission,  
Ministry of Finance  
Approved-certified No.: (93)  
Tai-Cai-Certificate(6)128050

March 30, 2023

C-Tech United Corporation  
**Parent-company-only Balance Sheets**  
(In thousands of New Taiwan Dollars)  
**December 31, 2022 and 2021**

Codes	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Note 6)	\$ 176,916	7	\$ 71,576	3
1136	Financial assets at amortized cost(Note 9, 10, 29)	112,989	4	42,131	1
1170	Accounts receivable, net (Note 11 and 21)	169,173	7	273,789	10
1200	Other receivables (Note 11)	484	-	2,915	-
1210	Other receivables from related parties Note (11 and 28)	38,632	1	-	-
1220	Current tax assets (Note 23)	75	-	-	-
130X	Inventories (Note 12)	159,184	6	206,998	7
1460	Noncurrent assets held for sale, net (Note 13)	298,023	12	-	-
1470	Other current assets	16,558	1	15,574	1
11XX	<b>Total current assets</b>	<u>972,034</u>	<u>38</u>	<u>612,983</u>	<u>22</u>
	<b>Noncurrent assets</b>				
1510	Financial assets measured at fair value through profit or loss(Note 7 and 27)	-	-	264	-
1517	Financial assets measured at fair value through other comprehensive income (Note 8 and 27)	21,513	1	34,807	1
1550	Investments accounted for using equity method (Note 13)	402,225	16	1,006,337	36
1600	Property, plant and equipment (Note 14, 28 and 29)	1,108,493	43	1,114,223	40
1755	Right-of-use assets	7,673	-	11,177	-
1780	Intangible assets	12,503	-	13,218	1
1840	Deferred income tax assets (Note 23)	16,124	1	12,799	-
1920	Refundable deposits	2,149	-	2,380	-
1915	Prepayments for equipment	20,094	1	5,649	-
15XX	<b>Total noncurrent assets</b>	<u>1,590,774</u>	<u>62</u>	<u>2,200,854</u>	<u>78</u>
1XXX	<b>Total assets</b>	<u>\$ 2,562,808</u>	<u>100</u>	<u>\$ 2,813,837</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (Note 15, 27 and 29)	\$ 757,686	30	\$ 681,381	24
2110	Short-term notes payable (Note 15, 27 and 29)	-	-	44,000	2
2120	Financial liabilities measured at fair value through profit or loss (Note 7 and 27)	-	-	58	-
2130	Contract liabilities	20,513	1	8,499	-
2170	Accounts payables from non-related parties (Note 17 and 27)	58,929	2	319,638	12
2180	Accounts payables from related parties (Note 17, 27 and 28)	50,691	2	49,703	2
2200	Other accounts payable (Note 18 and 27)	59,479	2	51,273	2
2220	Other accounts payable from related parties (Note 18, 27 and 28)	133,426	5	143,739	5
2280	Lease liabilities (Note 27)	3,376	-	3,388	-
2320	Current portion of long-term loans payable (Note 15, 27 and 29)	18,667	1	6,667	-
2399	Other current liabilities (Note 18 and 28)	123,895	5	9,539	-
21XX	<b>Total current liabilities</b>	<u>1,226,662</u>	<u>48</u>	<u>1,317,885</u>	<u>47</u>
	<b>Noncurrent liabilities</b>				
2500	Financial liabilities measured at fair value through profit or loss (Note 7 and 27)	2,142	-	-	-
2530	Bonds payable (Note 16 and 27)	100,872	4	99,390	4
2540	Long-term loans (Note 15, 27 and 29)	385,045	15	391,711	14
2570	Deferred tax liabilities (Note 23)	50	-	1,097	-
2580	Lease liabilities (Note 27)	4,358	-	7,795	-
2640	Net defined benefit liabilities (Note 19)	5,025	-	6,185	-
25XX	<b>Total noncurrent liabilities</b>	<u>497,492</u>	<u>19</u>	<u>506,178</u>	<u>18</u>
2XXX	<b>Total liabilities</b>	<u>1,724,154</u>	<u>67</u>	<u>1,824,063</u>	<u>65</u>
	<b>Equity (Note 20)</b>				
3110	Common stock	1,141,314	45	981,314	35
3200	Capital surplus	567,009	22	403,049	14
	Retained earnings				
3310	Appropriated as legal capital reserve	15,854	-	15,854	1
3320	Appropriated as special capital reserve	25,808	1	25,808	1
3350	Accumulated deficit	( 800,489 )	( 31 )	( 312,687 )	( 11 )
3300	Total retained earnings	( 758,827 )	( 30 )	( 271,025 )	( 9 )
3400	Others	( 62,598 )	( 2 )	( 75,320 )	( 3 )
3500	Treasury stocks	( 48,244 )	( 2 )	( 48,244 )	( 2 )
3XXX	<b>Total Equity</b>	<u>838,654</u>	<u>33</u>	<u>989,774</u>	<u>35</u>
<b>Total</b>		<u>\$ 2,562,808</u>	<u>100</u>	<u>\$ 2,813,837</u>	<u>100</u>

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

Chairman: Huang, Tsung-Wei

General Manager: Huang, Tsung-Wei

Accounting Officer: Liu, Yi-Wei

C-Tech United Corporation

**Parent-company-only Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
(In thousands of New Taiwan Dollars, except for loss per share)

Codes		2022		2021	
		Amount	%	Amount	%
	<b>Operating revenues</b> (Note 21 and 28)				
4110	Sales revenue	\$ 1,460,287	100	\$ 2,172,747	100
4170	Sales returns	( 695 )	-	( 921 )	-
4190	Sales allowance	( 17 )	-	( 52 )	-
4000	Total sales revenue	1,459,575	100	2,171,774	100
5000	Operating costs (Note 12, 22 and 28)	( 1,318,888 )	( 90 )	( 2,027,729 )	( 93 )
5900	Operating gross margin	140,687	10	144,045	7
	Operating expenses (Note 22, 25 and 28)				
6100	Sales and marketing	( 39,986 )	( 3 )	( 45,248 )	( 2 )
6200	General and administrative	( 124,049 )	( 8 )	( 123,172 )	( 6 )
6300	Research and development	( 86,873 )	( 6 )	( 79,112 )	( 3 )
6450	Gain on reversal of expected credit	1,134	-	3,063	-
6000	Total operating expenses	( 249,774 )	( 17 )	( 244,469 )	( 11 )
6900	Operating loss	( 109,087 )	( 7 )	( 100,424 )	( 4 )
	Non-operating income and expenses (Note 22 and 28)				
7100	Interest income	1,010	-	75	-
7010	Other income	4,455	-	4,525	-
7020	Other gains and loss	( 197,233 )	( 14 )	1,350	-
7050	Finance costs	( 21,130 )	( 1 )	( 16,544 )	( 1 )
7070	Share of loss of associates and subsidiaries using equity method	( 92,891 )	( 6 )	( 11,406 )	-
7000	<b>Total non-operating income and expenses</b>	( 305,789 )	( 21 )	( 22,000 )	( 1 )
7900	Profit(loss) from continuing operations before tax	( 414,876 )	( 28 )	( 122,424 )	( 5 )
7950	Income tax benefit (expense) (note 23)	7,780	-	( 3,343 )	-

(Continued)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
8000	Loss from continuing operations for current year	(\$ 407,096)	( 28)	(\$ 125,767)	( 5)
8100	Loss from discontinued operations (Note 13 and 28)	( 81,665)	( 6)	( 39,047)	( 2)
8200	Net loss for current year	( 488,761)	( 34)	( 164,814)	( 7)
	Other comprehensive income (loss) (Note 19 and 23)				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurement of defined benefit obligation	1,198	-	( 89)	-
8316	Unrealized gain/(loss) on investments in equity instruments measured at fair value through other comprehensive income	( 13,294)	( 1)	( 20,078)	( 1)
8326	Associates using equity method, other comprehensive income component	16,198	1	( 16,238)	( 1)
8349	Income tax related to items that will not be reclassified subsequently	( 239)	-	18	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences arising on translation of foreign operations	12,273	1	( 3,863)	-
8370	Share of other comprehensive loss of associates and joint ventures	-	-	( 33)	-
8399	Income tax related to items that may be reclassified subsequently	( 2,455)	-	773	-
8300	<b>Other comprehensive income (loss), net</b>	<u>13,681</u>	<u>1</u>	<u>( 39,510)</u>	<u>( 2)</u>
8500	<b>Total comprehensive income (loss)</b>	<u>(\$ 475,080)</u>	<u>( 33)</u>	<u>(\$ 204,324)</u>	<u>( 9)</u>
	Loss per share (Note 24)				
	From continuing and discontinued operations of owners of parent				
9750	Basic	(\$ 4.68)		(\$ 1.92)	
9850	Diluted	(\$ 4.68)		(\$ 1.92)	
	Continuing operations of owners of parent				
9710	Basic	(\$ 3.90)		(\$ 1.47)	
9810	Diluted	(\$ 3.90)		(\$ 1.47)	

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

Chairman: Huang, Tsung-Wei General Manager: Huang, Tsung-Wei Accounting Officer: Liu, Yi-Wei

C-Tech United Corporation  
**Parent-company-only Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
(In thousands of New Taiwan Dollars)

Code		Capital Stock		Capital Surplus	Retained Earnings			Foreign currency Translation Reserve	Others		Treasury stock	Total
		Shares (in thousands)	Amount		Legal Capital Reserve	Special Capital Reserve	Accumulated deficits		Unrealized gain(loss) on financial assets measured at fair value through other Comprehensive Income	Income		
A1	Balance, January, 2021	82,096	\$ 820,960	\$ 256,918	\$ 15,854	\$ 25,808	( \$ 147,802 )	( \$ 22,366 )	( \$ 13,515 )	( \$ 48,244 )	\$ 887,613	
	Movements on other capital surplus:											
C5	Capital Reserve from convertible bonds	-	-	25,241	-	-	-	-	-	-	25,241	
C7	Adjustments to share of changes in equities of associates	-	-	4,529	-	-	-	-	-	-	4,529	
D1	Net loss	-	-	-	-	-	( 164,814 )	-	-	-	( 164,814 )	
D3	Other comprehensive income (loss), net of income tax	-	-	-	-	-	( 71 )	( 3,123 )	( 36,316 )	-	( 39,510 )	
D5	Total comprehensive income (loss)	-	-	-	-	-	( 164,885 )	( 3,123 )	( 36,316 )	-	( 204,324 )	
I1	Transition of convertible bonds payables	16,005	160,054	115,382	-	-	-	-	-	-	275,436	
G1	Exercising Stock Options	30	300	501	-	-	-	-	-	-	801	
N1	Share-based payment arrangement	-	-	478	-	-	-	-	-	-	478	
Z1	Balance, December, 2021	98,131	981,314	403,049	15,854	25,808	( 312,687 )	( 25,489 )	( 49,831 )	( 48,244 )	989,774	
D1	Net loss	-	-	-	-	-	( 488,761 )	-	-	-	( 488,761 )	
D3	Other comprehensive income(loss), net of income tax	-	-	-	-	-	959	9,818	2,904	-	13,681	
D5	Total comprehensive income (loss)	-	-	-	-	-	( 487,802 )	9,818	2,904	-	( 475,080 )	
E1	Capital increase	16,000	160,000	160,000	-	-	-	-	-	-	320,000	
N1	Share-based payment arrangement	-	-	3,960	-	-	-	-	-	-	3,960	
Z1	Balance, December 31, 2022	114,131	\$ 1,141,314	\$ 567,009	\$ 15,854	\$ 25,808	( \$ 800,489 )	( \$ 15,671 )	( \$ 46,927 )	( \$ 48,244 )	\$ 838,654	

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

Chairman: Huang, Tsung-Wei

General Manager: Huang, Tsung-Wei

Accounting Officer: Liu, Yi-Wei

**C-Tech United Corporation**  
**Parent-company-only Statements of Cash flows**  
**For the years ended December 31, 2022 and 2021**  
(In thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A00010	Income before income tax from continuing operations of owners of parent	(\$ 414,876)	(\$ 122,424)
A00020	Income before income tax from discontinued operations of owners of parent	( 81,665)	( 39,047)
A10000	Income before income tax	( 496,541)	( 161,471)
A20010	Adjustments for		
A20100	Depreciation expense	24,245	13,342
A20200	Amortization expense	6,999	4,322
A20300	Expected credit losses reversal on investments	( 1,134)	( 3,063)
A20400	Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	967	( 5,595)
A20900	Financial costs	21,130	16,544
A21200	Interest income	( 1,010)	( 75)
A21300	Dividend income	( 1,105)	( 1,420)
A21900	Share-based compensation	3,960	478
A22400	Loss on investments using equity method and associates	174,556	50,453
A22500	Gain on disposal and retirement of property, plant and equipment, net	( 30)	-
A23500	Loss on investments using equity method	160,004	-
A23700	Loss on non-financial assets	2,775	-
A23700	Loss for market price decline and obsolete and slow-moving inventories	27,488	-
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	105,750	300,839
A31180	Other accounts receivable	2,431	340
A31200	Inventories	20,326	( 109,753)
A31240	Other current assets	( 984)	1,159
A32125	Contract liabilities	12,014	4,895
A32130	Notes payable	-	( 115)
A32150	Accounts payable	( 260,709)	( 156,544)
A32160	Accounts payable from related parties	988	( 29,296)
A32180	Other accounts payable	2,664	34,302
A32230	Other current liabilities	4,356	( 1,733)
A32240	Defined benefit liabilities	38	( 89)
A33000	Cash generated from operations	( 190,822)	( 42,480)

(Continued)

(Continued)

Code		2022	2021
A33100	Interest received	\$ 992	\$ 75
A33300	Interest paid	( 19,504)	( 13,159)
A33500	Income tax paid	<u>639</u>	<u>( 27,930)</u>
AAAA	Net cash flows from operating activities	<u>( 208,695)</u>	<u>( 83,494)</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized costs	( 70,858)	( 41,431)
B00200	Disposal of financial assets measured at fair value through profit or loss	1,381	4,069
B01800	Acquisition of investments using equity method	-	( 250,000)
B01900	Disposal of investments using equity method	110,000	6
B02700	Acquisition of property, plant and equipment	( 18,416)	( 751,941)
B02800	Disposal of property, plant and equipment	16	-
B03700	Refundable deposits paid	-	( 664)
B03800	Refundable deposits refunded	231	-
B04300	Increase in other accounts receivables from related parties	( 38,000)	-
B04500	Acquisition of intangible assets	( 6,399)	( 11,423)
B07100	Increase in prepayments for equipment	( 19,197)	( 1,799)
B07600	Dividends received	<u>1,105</u>	<u>1,420</u>
BBBB	Net cash flows used in investing activities	<u>( 40,137)</u>	<u>( 1,051,763)</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	1,890,508	424,468
C00200	Decrease in short-term borrowings	( 1,814,203)	-
C00500	Increase in short-term notes payables	-	44,000
C00600	Decrease in short-term notes payables	( 44,000)	-
C01200	Issuance of bonds payables	-	398,017
C01600	Proceeds from long-term debt	45,000	168,378
C01700	Payments of long-term borrowings	( 39,666)	-
C04020	Principle repayment	( 3,467)	( 1,026)
C04600	Increase in capital	320,000	-
C04800	Exercising employee stock options	<u>-</u>	<u>801</u>
CCCC	Net cash flows from financing activities	<u>354,172</u>	<u>1,034,638</u>
EEEE	Net increase (decrease) in cash and cash equivalents	105,340	( 100,619)
E00100	Cash and cash equivalents at beginning of period	<u>71,576</u>	<u>172,195</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 176,916</u>	<u>\$ 71,576</u>

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

Chairman: Huang, Tsung-Wei General Manager: Huang, Tsung-Wei Accounting Officer: Liu, Yi-Wei



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

The entities included in the consolidated financial statements of C Tech United Corporation as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, C Tech United Corporation and its subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company name: C Tech United Corporation

Chairman: Huang, Tsung-Wei

Date: March 30, 2023

## **Independent Auditors' Report**

To the Board of Directors and Shareholders of C-Tech United Corporation

### **Opinion**

We have audited the consolidated financial statements of C-Tech United Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) and the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethical in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 significant in our audit of the consolidated financial statements for the year ended December 31, 2022. 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.

Key audit matters for the Group’s consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Valuation of noncurrent assets held for sale

The Group had made decision on disposals of ownerships of investments of non-core business and recognized loss on investments at differences of fair value and carrying amount and reclassified as noncurrent assets held for sale in accordance with International Financial Reporting Standards No. 5 “Noncurrent assets held for sale and discontinued operations” for the year ended December 31, 2022. As of December 31, 2022, noncurrent assets held for sale amounted to NT\$1,616,435 thousand and noncurrent liabilities held for sale amounted to NT\$1,151,790 thousand, representing 44% and 31% of total assets; the Group recognized loss on aforementioned noncurrent assets for held amounted to NT\$38,861 thousand, representing 8% of net loss for the current year. Refer to Note 4(12), 5(5), 13 and 26(3) to the consolidated financial statements.

The abovementioned item is material to the consolidated financial statements, the Group’s judgements on noncurrent assets held for sale has been identified as one of the key audit matters.

Our audit procedures related to abovementioned noncurrent assets held for sale included the following, among others:

1. Understand the process of disposal of subsidiaries and obtained the related meeting minutes of board of directors.
2. Obtain the valuation report of ownerships of disposal on investments, contracts or letters of intent to assess the rationality of the amount of loss on the subsidiaries and track the subsequent receipts and collections.

Valuation of investments using equity method

The Group recognized loss on investments using equity method amounted to NT\$160,004 thousand, representing 39% of consolidated operating loss before tax, due to the Company’s investment using equity method had been dissolved for the year ended 2022. Refer to Note 4(7), 5(3), 15 and 26(3) to the consolidated financial statements.

The abovementioned item is material to the consolidated financial statements and involves the management’s significant estimates and judgement, therefore valuation of investments using equity method has been identified as one of the key audit matters.

Our audit procedures related to abovementioned valuation of investments using equity method included the following, among others:

1. Understand the managements’ policy of valuation on investments using equity method and procedures of disposals.
2. Obtain the base of valuation of investments using equity methods and the process of evaluation to confirm the rationality.

### Authenticity of specific sales revenue

In 2022, the Group's sales revenue from specific customers increased significantly and is therefore considered as a key audit matter for current year. For accounting policies relating to sales revenue, please refer to Note 4(15) to the consolidated financial statements.

We have conducted the main audit procedures for the abovementioned authenticity of the sales from specific customers as follows:

1. Understand and test the effectiveness of the design and implementation of key internal control systems for the authenticity of sales revenue from specific customers.
2. Obtain the sales details to sample and check the transaction documents of sales revenue of specific customers and receipts and collections to confirm the authenticity of the recognition of sales revenue.

### **Other Matters – Report of other auditors**

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the consolidated financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and the information disclosed in Note 15 and Note 37 relative to these investments, is based solely on the audit reports of other auditors. Total assets of these associates and investments amounted to NT\$207,572 thousand, representing 6% of the total consolidated assets as of December 31, 2021, and total operating loss amounted to NT\$30,686 thousand, representing 18% of consolidated other comprehensive income(loss) for the year ended December 31, 2022.

### **Other Matter- Parent company only financial statements**

C Tech United Corporation has additionally prepared its parent company only financial statements as of the year ended December 31, 2022 and 2021, on which we have issued an unqualified opinion and expressed an unmodified with other matter section.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, 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 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 the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the directions, 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, 2022 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 Nai-Hua Guo and Li-Huang Lee.

Deloitte & Touche

Taipei, Taiwan

Republic of China

Nai-Hua Guo  
Financial Supervisory Commission  
Approved-certified No.: Jin-Guan-  
Certificate No. 1070323246

Li-Huang Lee.  
Former Securities and Futures Commission,  
Ministry of Finance  
Approved-certified No.: (93)  
Tai-Cai-Certificate(6)128050

March 30, 2023

**C-Tech United Corporation and subsidiaries**  
**Consolidated Balance Sheets**  
(In thousands of New Taiwan Dollars)  
**December 31, 2022 and 2021**

Codes	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Note 6)	\$ 194,538	5	\$ 135,617	4
1136	Financial assets at amortized cost (Note 9, 10, 33)	113,143	3	56,310	1
1170	Accounts receivable, net (Note 11 and 25)	170,357	5	286,816	8
1200	Other receivables <sup>1</sup> (Note 11)	747	-	4,485	-
1220	Current tax assets (Note 27)	1,849	-	-	-
130X	Inventories (Note 12 and 33)	201,078	5	1,322,045	36
1460	Noncurrent assets held for sale, net (Note 13 and 33)	1,616,435	44	-	-
1470	Other current assets (Note 17 and 25)	21,177	1	140,026	4
11XX	<b>Total current assets</b>	<u>2,319,324</u>	<u>63</u>	<u>1,945,299</u>	<u>53</u>
	<b>Noncurrent assets</b>				
1510	Financial assets measured at fair value through profit or loss (Note 7 and 31)	-	-	264	-
1517	Financial assets measured at fair value through other comprehensive income (Note 8, 31 and 33)	21,513	1	34,807	1
1550	Investments accounted for using equity method (Note 15)	-	-	207,572	6
1600	Property, plant and equipment (Note 16, 32 and 33)	1,267,705	35	1,404,766	38
1755	Right-of-use assets	9,758	-	28,979	1
1780	Other intangible assets	14,240	-	17,449	-
1840	Deferred income tax assets (Note 27)	16,124	-	21,074	1
1915	Prepayments for equipment	28,953	1	15,942	-
1920	Refundable deposits	3,434	-	3,945	-
15XX	<b>Total noncurrent assets</b>	<u>1,361,727</u>	<u>37</u>	<u>1,734,798</u>	<u>47</u>
1XXX	<b>Total assets</b>	<u>\$ 3,681,051</u>	<u>100</u>	<u>\$ 3,680,097</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (Note 18, 31 and 33)	\$ 757,686	21	\$ 1,150,416	31
2110	Short-term notes payable (Note 18, 31 and 33)	-	-	202,400	6
2120	Financial liabilities measured at fair value through profit or loss (Note 7 and 31)	-	-	58	-
2130	Contract liabilities (Note 25 and 32)	20,513	1	165,092	5
2150	Notes payable	-	-	4,559	-
2170	Accounts payable (Note 20 and 31)	88,091	2	422,028	11
2200	Other accounts payable (Note 21 and 31)	75,542	2	91,498	3
2260	Liabilities related to noncurrent assets held for sales (Note 13)	1,151,790	31	-	-
2280	Lease liabilities (Note 31)	3,905	-	13,563	-
2320	Current portion of long-term loans payable (Note 18, 31 and 33)	18,667	1	6,667	-
2399	Other current liabilities (Note 21 and 32)	123,974	3	11,294	-
21XX	<b>Total current liabilities</b>	<u>2,240,168</u>	<u>61</u>	<u>2,067,575</u>	<u>56</u>
	<b>Noncurrent liabilities</b>				
2500	Financial liabilities measured at fair value through profit or loss (Note 7 and 31)	2,142	-	-	-
2530	Bonds payable (Note 19 and 31)	100,872	3	99,390	3
2540	Long-term loans (Note 18, 31 and 33)	385,045	10	391,711	11
2570	Deferred tax liabilities (Note 27)	50	-	1,097	-
2580	Lease liabilities (Note 31)	4,358	-	15,648	-
2640	Net defined benefit liabilities (Note 22)	5,025	-	6,185	-
2645	Guarantee deposit	26	-	-	-
25XX	<b>Total noncurrent liabilities</b>	<u>497,518</u>	<u>13</u>	<u>514,031</u>	<u>14</u>
2XXX	<b>Total liabilities</b>	<u>2,737,686</u>	<u>74</u>	<u>2,581,606</u>	<u>70</u>
	<b>Equity Attributable to Shareholders Of The Parent (Note 24)</b>				
3110	Common stock	1,141,314	31	981,314	27
3200	Capital surplus	567,009	16	403,049	11
	Retained earnings				
3310	Appropriated as legal capital reserve	15,854	-	15,854	-
3320	Appropriated as special capital reserve	25,808	1	25,808	1
3350	Accumulated deficit	( 800,489 )	( 22 )	( 312,687 )	( 9 )
3300	<b>Total retained earnings</b>	<u>( 758,827 )</u>	<u>( 21 )</u>	<u>( 271,025 )</u>	<u>( 8 )</u>
3400	Others	( 62,598 )	( 2 )	( 75,320 )	( 2 )
3500	Treasury stocks	( 48,244 )	( 1 )	( 48,244 )	( 1 )
31XX	<b>Total Equity</b>	<u>838,654</u>	<u>23</u>	<u>989,774</u>	<u>27</u>
36XX	Non-Controlling Interests	104,711	3	108,717	3
3XXX	<b>Total equity</b>	<u>943,365</u>	<u>26</u>	<u>1,098,491</u>	<u>30</u>
	<b>Total liabilities and equity</b>	<u>\$ 3,681,051</u>	<u>100</u>	<u>\$ 3,680,097</u>	<u>100</u>

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

Chairman: Huang, Tsung-Wei

General Manager: Huang, Tsung-Wei

Accounting Officer: Liu, Yi-Wei

**C-Tech United Corporation and subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
(In thousands of New Taiwan Dollars, except for loss per share)

Codes		2022		2021	
		Amount	%	Amount	%
	Operating revenues (Note 25 and 32)				
4110	Sales revenue	\$ 1,468,984	100	\$ 2,176,641	100
4170	Sales returns	( 1,017)	-	( 921)	-
4190	Sales allowance	( 316)	-	( 93)	-
4000	Total sales revenue	1,467,651	100	2,175,627	100
5000	Operating costs (Note 12, 26)	( 1,292,884)	( 88)	( 1,934,652)	( 89)
5900	Operating gross margin	174,767	12	240,975	11
	Operating expenses (Note 26 and 29)				
6100	Sales and marketing	( 58,617)	( 4)	( 68,701)	( 3)
6200	General and administrative	( 166,732)	( 11)	( 175,188)	( 8)
6300	Research and development	( 86,873)	( 6)	( 79,113)	( 4)
6450	Gain on reversal of expected credit	1,134	-	3,063	-
6000	Total operating expenses	( 311,088)	( 21)	( 319,939)	( 15)
6900	Operating loss	( 136,321)	( 9)	( 78,964)	( 4)
	Non-operating income and expenses (Note 26 and 32)				
7100	Interest income	1,068	-	134	-
7010	Other income	6,992	-	4,800	-
7020	Other gains and loss	( 201,259)	( 14)	( 3,729)	-
7050	Finance costs	( 21,416)	( 1)	( 17,031)	( 1)
7060	Share of loss of associates using equity method	( 63,766)	( 4)	( 30,686)	( 1)
7000	<b>Total non-operating income and expenses</b>	( 278,381)	( 19)	( 46,512)	( 2)
7900	Loss from continuing operations before tax	( 414,702)	( 28)	( 125,476)	( 6)
7950	Income tax benefit (expense) (note 27)	7,606	-	( 291)	-

(Continued)



(Continued)

Code		2022		2021	
		Amount	%	Amount	%
8000	Loss from continuing operations for current year	(\$ 407,096)	( 28)	(\$ 125,767)	( 6)
8100	Loss from discontinued operations (Note 13 and 32)	( 85,671)	( 6)	( 42,729)	( 2)
8200	Net loss for current year	( 492,767)	( 34)	( 168,496)	( 8)
	Other comprehensive income (loss) (Note 22 and 27)				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurement of defined benefit obligation	1,198	-	( 89)	-
8316	Unrealized gain/(loss) on investments in equity instruments measured at fair value through other comprehensive income	( 13,294)	( 1)	( 20,078)	( 1)
8320	Associates using equity method, other comprehensive income component	16,198	1	( 16,238)	( 1)
8349	Income tax related to items that will not be reclassified subsequently	( 239)	-	18	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences arising on translation of foreign operations	12,273	1	( 3,863)	-
8370	Share of other comprehensive loss of associates and joint ventures	-	-	( 33)	-
8399	Income tax related to items that may be reclassified subsequently	( 2,455)	-	773	-
8300	<b>Other comprehensive income (loss), net</b>	<u>13,681</u>	<u>1</u>	<u>( 39,510)</u>	<u>( 2)</u>
8500	<b>Total comprehensive income</b>	<u>(\$ 479,086)</u>	<u>( 33)</u>	<u>(\$ 208,006)</u>	<u>( 10)</u>
8600	Net income attribute to:				
8610	Shareholders of the parent	(\$ 488,761)	( 34)	(\$ 164,814)	( 8)
8620	Non-controlling interests	( 4,006)	-	( 3,682)	-
		<u>(\$ 492,767)</u>	<u>( 34)</u>	<u>(\$ 168,496)</u>	<u>( 8)</u>

(Continued)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
8700	Total comprehensive income attribute to:				
8710	Shareholders of the parent	(\$ 475,080)	( 33)	(\$ 204,324)	( 10)
8720	Non-controlling interests	( 4,006)	-	( 3,682)	-
		<u>(\$ 479,086)</u>	<u>( 33)</u>	<u>(\$ 208,006)</u>	<u>( 10)</u>
	Loss per share (Note 28)				
	From continuing and discontinued operations of owners of parent				
9750	Basic	(\$ 4.68)		(\$ 1.92)	
9850	Diluted	(\$ 4.68)		(\$ 1.92)	
	Continuing operations of owners of parent				
9710	Basic	(\$ 3.90)		(\$ 1.47)	
9810	Diluted	(\$ 3.90)		(\$ 1.47)	

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

Chairman: Huang, Tsung-Wei General Manager: Huang, Tsung-Wei Accounting Officer:  
Liu, Yi-Wei

**C-Tech United Corporation and subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
(In thousands of New Taiwan Dollars)

Equity attribute to the shareholders of the parent company

Code		Capital Stock		Capital Surplus	Retained Earnings			Total other equity interest		Treasury stock	Total	Non-controlling interests	Total equity
		Shares (in thousands)	Amount		Legal Capital Reserve	Special Capital Reserve	Accumulated deficits	Foreign currency Translation Reserve	Unrealized gain(loss) on financial assets measured at fair value through other Comprehensive Income				
A1	Balance, January, 2021	82,096	\$ 820,960	\$ 256,918	\$ 15,854	\$ 25,808	(\$ 147,802)	(\$ 22,366)	(\$ 13,515)	(\$ 48,244)	\$ 887,613	\$ 112,405	\$ 1,000,018
C5	Capital Reserve from convertible bonds	-	-	25,241	-	-	-	-	-	-	25,241	-	25,241
C7	Adjustments to share of changes in equities of associates	-	-	4,529	-	-	-	-	-	-	4,529	-	4,529
D1	Net loss	-	-	-	-	-	( 164,814)	-	-	-	( 164,814)	( 3,682)	( 168,496)
D3	Other comprehensive income (loss), net of income tax	-	-	-	-	-	( 71)	( 3,123)	( 36,316)	-	( 39,510)	-	( 39,510)
D5	Total comprehensive income (loss)	-	-	-	-	-	( 164,885)	( 3,123)	( 36,316)	-	( 204,324)	( 3,682)	( 208,006)
I1	Transition of convertible bonds payables	16,005	160,054	115,382	-	-	-	-	-	-	275,436	-	275,436
G1	Exercising Stock Options	30	300	501	-	-	-	-	-	-	801	-	801
N1	Share-based payment arrangement	-	-	478	-	-	-	-	-	-	478	-	478
O1	Non-controlling equity	-	-	-	-	-	-	-	-	-	-	( 6)	( 6)
Z1	Balance at December 31, 2021	98,131	981,314	403,049	15,854	25,808	( 312,687)	( 25,489)	( 49,831)	( 48,244)	989,774	108,717	1,098,491
D1	Net loss	-	-	-	-	-	( 488,761)	-	-	-	( 488,761)	( 4,006)	( 492,767)
D3	Other comprehensive income (loss), net of income tax	-	-	-	-	-	959	9,818	2,904	-	13,681	-	13,681
D5	Total comprehensive income (loss)	-	-	-	-	-	( 487,802)	9,818	2,904	-	( 475,080)	( 4,006)	( 479,086)
E1	Capital increase	16,000	160,000	160,000	-	-	-	-	-	-	320,000	-	320,000
N1	Share-based payment arrangement	-	-	3,960	-	-	-	-	-	-	3,960	-	3,960
Z1	Balance, December 31, 2022	114,131	\$ 1,141,314	\$ 567,009	\$ 15,854	\$ 25,808	(\$ 800,489)	(\$ 15,671)	(\$ 46,927)	(\$ 48,244)	\$ 838,654	\$ 104,711	\$ 943,365

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

Chairman: Huang, Tsung-Wei

General Manager: Huang, Tsung-Wei

Accounting Officer: Liu, Yi-Wei

**C-Tech United Corporation and subsidiaries**  
**Consolidated Statements of Cash flows**  
**For the years ended December 31, 2022 and 2021**  
**(In thousands of New Taiwan Dollars)**

<u>Code</u>		<u>2022</u>	<u>2021</u>
	Cash flows from operating activities		
A00010	Income before income tax from continuing operations of owners of parent	(\$ 414,702)	(\$ 125,476)
A00020	Income before income tax from discontinued operations of owners of parent	( 85,671)	( 42,729)
A10000	Income before income tax	( 500,373)	( 168,205)
A20010	Adjustments for		
A20100	Depreciation expense	101,907	85,414
A20200	Amortization expense	8,658	5,273
A20300	Expected credit losses reversal on investments	( 1,607)	( 2,049)
A20400	Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	967	( 5,595)
A20900	Financial costs	21,624	17,195
A21200	Interest income	( 1,160)	( 174)
A21300	Dividend income	( 1,105)	( 1,420)
A21900	Share-based compensation	3,960	478
A22300	Loss on associates using equity method	63,766	29,848
A22500	Gain on disposal and retirement of property, plant and equipment, net	261	( 32)
A23500	Loss on investments using equity method	160,004	-
A23700	Loss on noncurrent assets held for sale	38,861	-
A23700	Loss on non-financial assets	21,489	5,800
A23700	Loss for market price decline and obsolete and slow-moving inventories	27,488	212
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivables	115,349	303,228
A31180	Other accounts receivables	3,731	2,078
A31200	Inventories	( 305,110)	( 274,689)
A31240	Other current assets	12,561	( 22,354)
A32125	Contract liabilities	85,884	74,606
A32130	Notes payable	105,632	668
A32150	Accounts payable	( 258,469)	( 143,806)
A32180	Other accounts payable	222	( 36,662)
A32230	Other current liabilities	11,840	( 1,390)
A32240	Net defined benefit liabilities	38	( 89)
A33000	Cash generated from operations	( 283,582)	( 131,665)

(Continued)

(Continued)

Code		2022	2021
A33100	Interest received	\$ 1,160	\$ 174
A33200	Dividends received	1,105	-
A33300	Interest paid	( 19,625)	( 13,186)
A33500	Income tax paid	( 3,764)	( 24,845)
AAAA	Net cash flows from operating activities	( 304,706)	( 169,522)
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized costs	( 93,907)	-
B00050	Disposal of financial assets at amortized costs	-	5,377
B00200	Disposal of financial assets measured at fair value through profit or loss	1,381	4,069
B01800	Acquisition of investments using equity method	-	( 250,000)
B01900	Disposal of investments using equity method	110,000	2,157
B02700	Acquisition of property, plant and equipment	( 43,513)	( 787,597)
B02800	Disposal of property, plant and equipment	1,792	311
B03700	Refundable deposits paid	-	( 721)
B03800	Refundable deposits refunded	22	-
B04500	Acquisition of intangible assets	( 6,399)	( 13,046)
B07100	Increase in prepayments for equipment	( 23,667)	( 2,708)
B07600	Dividends received	-	1,420
BBBB	Net cash flows used in investing activities	( 54,291)	( 1,040,738)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	1,977,772	519,703
C00200	Decrease in short-term borrowings	( 1,824,203)	-
C00500	Increase in short-term notes payable	10,000	54,000
C00600	Decrease in short-term notes payable	( 44,000)	-
C01200	Issuance of bonds payable	-	398,017
C01600	Proceeds from long-term debt	45,000	168,378
C01700	Payments of long-term borrowings	( 39,666)	-
C03000	Increase in guarantee deposits	26	-
C04020	Principle repayment	( 23,116)	( 13,402)
C04600	Increase in capital	320,000	-
C04800	Exercising employee stock options	-	801
C05800	Changes in non-controlling equity	-	( 6)
CCCC	Net cash flows from financing activities	421,813	1,127,491
DDDD	Effect of exchange rate changes on cash and cash equivalents	13,595	( 2,187)

(Continued)

(Continued)

<u>Code</u>		<u>2022</u>	<u>2021</u>
EEEE	Net increase(decrease) in cash and cash equivalents	\$ 76,411	(\$ 84,956)
E00100	Cash and cash equivalents, beginning of the year	<u>135,617</u>	<u>220,573</u>
E00200	Cash and cash equivalents, end of the year	<u>\$ 212,028</u>	<u>\$ 135,617</u>

Reconciliation of cash and cash equivalents at the end of the year

<u>Code</u>		<u>December 31, 2022</u>	<u>December 31, 2021</u>
	Cash and cash equivalents, end of the year		
E00210	Cash and cash equivalents on the balance sheets	\$ 194,538	\$ 135,617
E00212	Classified as cash and cash equivalents under noncurrent assets held for sale	<u>17,490</u>	<u>-</u>
E00200	Cash and cash equivalents, end of the year	<u>\$ 212,028</u>	<u>\$ 135,617</u>

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

Chairman: Huang, Tsung-Wei    General Manager: Huang, Tsung-Wei    Accounting Officer:  
Liu, Yi-Wei

**Attachment 6**

**C-TECH UNITED CORP.  
Comparison of the Articles of Incorporation Before and After  
Amendment**

Article	Suggested Amendment	Before Amendment	Explanation
Article 2	<p>The Company engages in the following business:</p> <ol style="list-style-type: none"> <li>1. CC01080 Electronics Components Manufacturing</li> <li>2. CC01090 Manufacture of Batteries and Accumulators</li> <li>3. CC01110 Computer and Peripheral Equipment Manufacturing</li> <li>4. F113010 Wholesale of Machinery</li> <li>5. F113030 Wholesale of Precision Instruments</li> <li>6. F113050 Wholesale of Computers and Clerical Machinery Equipment</li> <li>7. F113060 Wholesale of Telecommunication Apparatus</li> <li>8. F113070 Wholesale of Telecommunication Apparatus</li> <li>9. F113110 Wholesale of Batteries</li> <li>10. F213110 Retail Sale of Batteries</li> <li>11. F401010 International Trade</li> <li>12. CC01070 Wireless Communication Mechanical Equipment Manufacturing</li> <li>13. CC01060 Wired Communication Mechanical Equipment Manufacturing</li> <li>14. F213060 Retail Sale of Telecommunication Apparatus</li> <li>15. F401201 Restrained Telecom Radio Frequency Equipments and Materials Import</li> <li>16. F119010 Wholesale of Electronic Materials</li> <li>17. F219010 Retail Sale of Electronic Materials</li> <li><u>18. I501010 Product Designing</u></li> <li><u>19. I599990 Other Designing</u></li> <li><u>20. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</u></li> </ol>	<p>The Company engages in the following business:</p> <ol style="list-style-type: none"> <li>1. CC01080 Electronics Components Manufacturing</li> <li>2. CC01090 Manufacture of Batteries and Accumulators</li> <li>3. CC01110 Computer and Peripheral Equipment Manufacturing</li> <li>4. F113010 Wholesale of Machinery</li> <li>5. F113030 Wholesale of Precision Instruments</li> <li>6. F113050 Wholesale of Computers and Clerical Machinery Equipment</li> <li>7. F113060 Wholesale of Telecommunication Apparatus</li> <li>8. F113070 Wholesale of Telecommunication Apparatus</li> <li>9. F113110 Wholesale of Batteries</li> <li>10. F213110 Retail Sale of Batteries</li> <li>11. F401010 International Trade</li> <li>12. CC01070 Wireless Communication Mechanical Equipment Manufacturing</li> <li>13. CC01060 Wired Communication Mechanical Equipment Manufacturing</li> <li>14. F213060 Retail Sale of Telecommunication Apparatus</li> <li>15. F401201 Restrained Telecom Radio Frequency Equipments and Materials Import</li> <li>16. F119010 Wholesale of Electronic Materials</li> <li>17. F219010 Retail Sale of Electronic Materials</li> <li>18. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</li> </ol>	To add new item of business
Article 27	<p>( Omitted )</p> <p><u>The 23<sup>rd</sup> amendment was made on June 30<sup>th</sup>, 2023</u></p>	( Omitted )	The history of this revision is updated.

**Attachment 7**

**C-TECH UNITED CORP.  
Comparison of the Procedure of Endorsements and Guarantees  
Before and After Amendment**

Article	Suggested Amendment	Before Amendment	Explanation
Article 5	<p>The Quota of Endorsements and Guarantees:</p> <p>The ceilings on the amounts the Company is permitted to make in endorsements/guarantees, including on the public aggregate endorsement/guarantee amount and the amount of the Company's endorsements/guarantees for any single entity, as well as on the public aggregate endorsement/guarantee amount, and the amount of endorsements/guarantees for any single entity that the Company and its subsidiaries as a whole are permitted to make. The ceiling is instructed as follows:</p> <ol style="list-style-type: none"> <li>1. The total amount of external endorsements/ guarantees shall not exceed 100% of the Company's net worth.</li> <li>2. The amount of endorsements/ gurantees which are made due to the business for a single entity shall not exceed the following amounts whichever is higher:               <ol style="list-style-type: none"> <li>a. 30% of business transactions amount between the guaranteed entity and the Company in the most recent year</li> <li>b. 120% of the business transaction amount in the last three month.</li> </ol> </li> </ol> <p>And the amount shall not exceed 40% of the Company's net worth. The endorsements/ guarantees which are conducted based on the relationship of parent Company and subsidiary Company, its amount shall not exceed 100% of the Company' net worth.</p> <p>Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of</p>	<p>The Quota of Endorsements and Guarantees:</p> <p>The ceilings on the amounts the Company is permitted to make in endorsements/guarantees, including on the public aggregate endorsement/guarantee amount and the amount of the Company's endorsements/guarantees for any single entity, as well as on the public aggregate endorsement/guarantee amount, and the amount of endorsements/guarantees for any single entity that the Company and its subsidiaries as a whole are permitted to make. The ceiling is instructed as follows:</p> <ol style="list-style-type: none"> <li>1. The total amount of external endorsements/ guarantees shall not exceed 100% of the Company's net worth.</li> <li>2. The amount of endorsements/ gurantees which are made due to the business for a single entity shall not exceed the following amounts whichever is higher:               <ol style="list-style-type: none"> <li>a. 30% of business transactions amount between the guaranteed entity and the Company in the most recent year</li> <li>b. 120% of the business transaction amount in the last three month.</li> </ol> </li> </ol> <p>And the amount shall not exceed 40% of the Company's net worth. The endorsements/ guarantees which are conducted based on the relationship of parent Company and subsidiary Company, its amount shall not exceed 100% of the Company' net worth.</p> <p>Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of</p>	<p>In response to the demand of Company's business</p>



Article	Suggested Amendment	Before Amendment	Explanation
	<p>undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees's amount shall not exceed <u>100%</u> of the Coporation's net worth</p> <p>3. The total amount of endorsements/ guarantees of the Company and its subsidiary Company and the amount of endorsements/ guarantees for single entity shall not exceed 100% of the Company's net worth. When the Company and the its subsidiary Company propose endorsement/guarantee amount to more than 50% of the Company's net worth, it shall be submittd to the shareholders' meeting to explain it necessity and the rationality.</p> <p>The so-called "net value" shall be the most recently verified and certified by the accountant audition.</p>	<p>undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees's amount shall not exceed <u>40%</u> of the Coporation's net worth</p> <p>3. The total amount of endorsements/ guarantees of the Company and its subsidiary Company and the amount of endorsements/ guarantees for single entity shall not exceed 100% of the Company's net worth. When the Company and the its subsidiary Company propose endorsement/guarantee amount to more than 50% of the Company's net worth, it shall be submittd to the shareholders' meeting to explain it necessity and the rationality.</p> <p>The so-called "net value" shall be the most recently verified and certified by the accountant audition.</p>	
Article 13	<p>The Procedure was enacted on April 9<sup>th</sup>, 2004.</p> <p>The 1<sup>st</sup> amendment was made on December 6<sup>th</sup>, 2004.</p> <p>The 2<sup>nd</sup> amendment was made on June 6<sup>th</sup>, 2006.</p> <p>The 3<sup>rd</sup> amendment was made on May, 28<sup>th</sup>, 2007.</p> <p>The 4<sup>th</sup> amendment was made on June, 26<sup>th</sup>. 2008.</p> <p>The 5<sup>th</sup> amendment was made on June 24<sup>th</sup> 2009.</p> <p>The 6<sup>th</sup> amendment was made on June, 23<sup>rd</sup>, 2010.</p> <p>The 7<sup>th</sup> amendment was made on June, 26<sup>th</sup> 2013.</p> <p>The 8<sup>th</sup> amendment was made on June 10<sup>th</sup>, 2020.</p> <p>The 9<sup>th</sup> amendment was made on August 11<sup>th</sup> on 2021</p> <p>The 10<sup>th</sup> amendment was made on June 30<sup>th</sup>, 2023</p>	<p>The Procedure was enacted on April 9<sup>th</sup>, 2004.</p> <p>The 1<sup>st</sup> amendment was made on December 6<sup>th</sup>, 2004.</p> <p>The 2<sup>nd</sup> amendment was made on June 6<sup>th</sup>, 2006.</p> <p>The 3<sup>rd</sup> amendment was made on May, 28<sup>th</sup>, 2007.</p> <p>The 4<sup>th</sup> amendment was made on June, 26<sup>th</sup>. 2008.</p> <p>The 5<sup>th</sup> amendment was made on June 24<sup>th</sup> 2009.</p> <p>The 6<sup>th</sup> amendment was made on June, 23<sup>rd</sup>, 2010.</p> <p>The 7<sup>th</sup> amendment was made on June, 26<sup>th</sup> 2013.</p> <p>The 8<sup>th</sup> amendment was made on June 10<sup>th</sup>, 2020.</p> <p>The 9<sup>th</sup> amendment was made on August 11<sup>th</sup> on 2021</p>	The history of this revision is updated.

**Attachment 8**

**The Candidates List of Directors (Including Independent Directors)**

Category	Name	Education	Experience	Current Position	Shareholding	Reasons for the nomination of Independent Directors who have served three terms
Director	Mega Peak Investment Co Ltd	➤ not applicable	➤ Director of C-TECH UNITED CORP.	➤ Director of C-TECH UNITED CORP.	2,774,580	
Director	Zhao-xiang International Co., Ltd.	➤ not applicable	➤ Director of C-TECH UNITED CORP.	➤ Director of C-TECH UNITED CORP.	5,128,416	
Director	Li, Zhi-gui	➤ Bachelor of Physics, Tamkang University	➤ General Manager of Haohao International Co., Ltd. ➤ Director of Guanghong Technology Co., Ltd.	➤ Director of Motech Co., Ltd. ➤ Director of C-TECH UNITED CORP.	607,388	
Director	Zhao-jie International Co., Ltd.	➤ not applicable	➤ Director of C-TECH UNITED CORP.	➤ Director of C-TECH UNITED CORP.	5,005,696	
Independent Director	Weng, Hong-lin	➤ Master of Business Administration, National Taipei University ➤ Bachelor of Economics, National Taiwan University	➤ Representative of legal person director of Zhongfu International (Shares) Co., Ltd. ➤ Deputy General Manager and Director of Liwei Industrial Co., Ltd. ➤ Director and supervisor of Kaimei Electric	➤ Independent Director of Jinli Precision ➤ Independent Director of Leyi Communication ➤ Independent of C-TECH UNITED CORP.	127,468	With abundant professional knowledge and industry experience, Weng provides important suggestions for the Company. Although he has been re-elected as an Independent Director of the Company for three terms, the Company still needs to rely on his professionalism so that he can exercise his full expertise in addition to performing the duties of an independent director. Therefore, this election continues to nominate him as an Independent Director of the Company.

Category	Name	➤ Education	➤ Experience	➤ Current Position	Shareholding	Reasons for the nomination of Independent Directors who have served three terms
Independent Director	Xu, Yu-mei	➤ Electrical Engineering Department of Mingxin Industrial College	➤ Director of New Mileage Co., Ltd. ➤ Director of Xinli Trading Co., Ltd.	➤ Director of New Mileage Co., Ltd. ➤ Director of Xinli Trading Co., Ltd. ➤ Independent of C-TECH UNITED CORP.	92,590	With abundant professional knowledge and industry experience, Xu provides important suggestions for the Company. Although she has been re-elected as an Independent Director of the Company for three terms, the Company still needs to rely on her professionalism so that she can exercise her full expertise in addition to performing the duties of an independent director. Therefore, this election continues to nominate him as an Independent Director of the Company.
Independent Director	Chen, Yi-feng	➤ Ph.D., Institute of Electronics, National Taiwan University of Science and Technology	➤ Director of Department of Electronic Engineering/Director of Institute of Computer and Communication, Jingwen University of Science and Technology ➤ Director of RF Measurement Center, Jingwen University of Science and Technology ➤ General Manager of Auden Technology	➤ Professor of Jingwen University of Science and Technology and Director of RF Measurement Center	100,000	
Independent Director	Yan, Feng-wen	➤ Master of Chemistry, National Sun Yat-sen University	➤ Program host of ITRI	➤ Chair of Jiguang Technology	0	

## Attachment 9

### C-TECH UNITED CORP.

#### The Evaluation of the Necessity and Rationality of Conducting Private Placement of Common Shares and Convertible Corporate Bonds

To enrich the C-TECH UNITED CORP.'s (hereinafter referred to as the Company) operating capital, improve the financial structure, and seize the timeliness and convenience of fundraising, according to the Securities Exchange Act and Directions for Public Companies Conducting Private Placement of Securities, the Company has conducted matters related to the private placement of securities under Article 43-6 of the Securities Exchange Act. The Board has resolved on November 10<sup>th</sup> and December 29<sup>th</sup>, 2022 that the Company shall issue shares within the quota of 50,000,000(including the number of the private placement of convertible corporate bonds converted from the conversion price at the beginning of the period) to raise funds by either or both means of the private placement of common shares or private placement of convertible corporate bonds and that the private placement shall be issued in three tranches within one year from the date of shareholders' meeting' resolution. According to Directions for Public Companies Conducting Private Placement of Securities, if there has been, is, or will be any significant change in managerial control during the period from 1 year preceding the day on which the Board resolves on the private placement of securities to 1 year from the delivery date of those privately placed securities, the Company shall engage a securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement and shall state the opinion in the notice to convene the shareholders' meeting to serve as a reference for the shareholders to decide whether to agree. According to the proposal materials of the Board meeting, the quota of this private placement shall not exceed 50,000,000. If all the private placements are issued, the percentage of the private placements would take up to 30.46% of the issued common shares after the capital increase. In addition, the Board of the Company will have a reshuffle after the previous office term is ended on June 9, 2023; therefore, it can not be concluded whether conducting the private placement would cause major changes in management rights. The evaluation opinions are stated as follows:

#### 1. About the Company

C-TECH was established on May 23<sup>rd</sup>, 1996, and has been a listed company since October 28<sup>th</sup>, 2009. The business of the Company includes R&D, manufacture, and sales of products such as laptop battery module, power protection board of battery module, and power bank which are mainly applied to products such as laptops, pads, smartphones, digital cameras, digital video recorders, gaming consoles, and handtool machine, with the improvement of the battery module series parallel technology in recent years, the application of lithium batteries has been gradually broadened to non-IT products such as electric bicycles and electric tools. The current paid-in capital of the Company is NT\$1,141,314 thousands, and the brief financial data for the recent 3 years is as follows:

#### Consolidated Income Statement

Unit: NT\$ thousand

Item	2020	2021	2022	
Business Revenue	2,223,818	2,175,627	1,467,651	
Gross Profit	188,272	240,975	174,767	
Operating Income	(110,026)	(78,964)	(136,321)	

(Loss)				
Non-operating Revenue and Expenses	(30,407)	(46,512)	(278,381)	
Pre-tax Profit (Loss)	(140,433)	(125,476)	(414,702)	
Net Profit (Loss) for the Period	(164,158)	(168,496)	(492,767)	

Material Resource: the consolidated financial statement of the Company audited and certified by the accountants for each year

## 2. Content of the Private Placement

To enrich the Company's operating capital, strengthen the Company's competitiveness, enhance the business operation efficiency, reinforce the financial structure, improve the financial structure, and seize the timeliness and convenience of fundraising, according to the Securities Exchange Act and Directions for Public Companies Conducting Private Placement of Securities, in consideration of the situation of the capital market, the timeliness and the feasibility of fundraising and the actual demand of issuing cost and introducing strategic investors, it is proposed to conduct a private placement of marketable securities for fundraising by either or both means of the private placement of common shares or convertible corporate bonds which shall be limited within the quota of 50,000,000 shares (including the number of the private placement of convertible corporate bonds converted from the conversion price at the beginning of the period). The private placement shall be issued in three tranches within one year from the date of the shareholders' meeting' resolution.

The determined price of the private placement of commons shares shall be set higher than 80% of the following two calculations of which the price is higher before the Company's price-determined date:

- (1) The simple average closing price of the common shares of the TWSE listed or TPEX listed company 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.
- (2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The issue price of the private placement of convertible bonds shall be no less than 80% of the theoretical price. The theoretical price shall be calculated based on an appropriate pricing model that is selected in consideration of the various right under the term of issuance. The conversion price shall be set higher than 80% of the following two calculations of which the price is higher:

- (1) The simple average closing price of the common shares of the TWSE listed or TPEX listed company 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.
- (2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The actual price determined date and the actual issued price shall be submitted to the

shareholders' meeting to set, within the scope of the shareholders' meeting's resolution and according to the situation of the future capital market, the Company's business operation and the situation of selecting strategic investors

### 3. The Evaluation of the Necessity and Rationality of Conducting Private Placement

The Company proposes to increase domestic cash capital by conducting a private placement of common shares or convertible corporate bonds. The capital of each tranche and the achieved benefits are used for enriching capital and improving the financial structure. The issued quota is limited to 50,000,000, and the Board shall be authorized to conduct the private placement by the shareholders' meeting's resolution after the shareholder's meeting on June 30<sup>th</sup>, 2023. The Evaluation of the Necessity and Rationality of Conducting private placement is stated as follows:

#### (1) The necessity of conducting private placement

Considering the capital demanded for business operations mainly relied on bank loans from 2020 to 2022 which led to the debt ratio increasing year by year to 65.36%, 70.15%, and 74.37% respectively. If the Corporation continues borrowing capital from banks for capital demand, the debt ratio and interest expenses will be increased, which will raise the financial risk and affect the Corporation's profits. Further considering that the Company was still in a state of loss in the first three years of the private placement, if the fund is raised through public offerings, it would be difficult to obtain the favor of general investors, and not be supportive of obtaining the required funds in a short period of time, which leaves uncertainties to fulfill the fundraising. If the fundraising is conducted by private placement, it would have better timeliness, avoid over-relying on borrowing from financial institutions, and enhance the fund-using's resilience, which is beneficial to the Company's future business operation. Therefore, there exists a necessity for the Company to adopt private placement.

#### (2) The rationality of conducting private placement

The Board of the Company has resolved the private placement on November 10<sup>th</sup> and December 29<sup>th</sup>, 2022, and has submitted the resolution to the annual shareholders' meeting of 2023 held on June 30<sup>th</sup>. After examining the Board meeting's material proposed by the Company of which the discussions, issue procedure, price setting method, and the selected target of the private placement are all in conformity with the Security Exchange Act and relevant laws, it is determined that the private placement has no material irregularity.

The fund-using of the Company's private placement is to enrich the operating fund and improve financial structure. Besides the enrichment of the operational funds and the improvement of the financial structure, it can also reduce the interest burden caused by debt financing, which is beneficial to the overall business operation and the financial structure. Since the Company was still in a state of loss in the first three years of the private placement, judging from its business operations and financial structure, it may not be easy to obtain favorable conditions for loans. If the fundraising is conducted by private placement, it can not only reduce the interest burden from the bank loan in the future but also obtain the required funds in the short term and maintain financial resilience. In addition, compared to a public offering, a private placement is limited to the regulation that it cannot be transferred within three years, which is beneficial to the long-term cooperation of the Company and the subscriber of securities or strategic investors and helpful for the future development of the Company. Based on these

considerations, the conducting of the Company's private placement is rational.

#### 4. The evaluation of significant change in security subscribers and managerial control

##### (1) The evaluation of feasibility and necessity in selecting security subscribers.

###### i. The selection of security subscribers

According to the proposal material provided by C-TECH's Board meeting on November 10<sup>th</sup> and December 29<sup>th</sup>, 2022, the security subscribers of the Company's private placement shall be limited to certain persons who are qualified by Article 43-6, Security Exchange Act and expected to be beneficial directly or indirectly to the Company's future business operation. However, until the issued day of this evaluation report, the Company has not found security subscribers

###### ii. The feasibility and the necessity of the security subscribers

For the Company's purposes of business development, improving financial structure, and enriching operational funds, it is proposed to enhance the Company's overall competitiveness by learning the techniques and the industrial operation ability from security subscriber's experience and recognition of the market. Compared private placement to the public offering, with the regulation that private placement cannot be transferred within three years, it can further ensure C-TECH has long-term cooperation with investors or security subscribers, which is helpful to stabilize the Company's business operation and beneficial to the Company's business, financial affairs, and shareholders' equity. Therefore, the feasibility and necessity are reasonable to introduce strategic investors for this private placement.

##### (2) The examination of the Board's resolution on the significant change of managerial control one year prior to the private placement

After examining the record of the 2022 shareholder's annual report and looking up to the MOPS, it is confirmed that there was no Director change during the period from 1 year preceding the day on which the Board resolve the private placement. Therefore, there has no circumstance regarding significant changes in managerial control within 1 year period preceding the day on which the Board resolves the private placement stated in Article 4-3, Directions for Public Companies Conducting Private Placement of Securities.

##### (3) The evaluation of whether introducing strategic investors for the private placement would cause significant changes in managerial control.

The quota of this private placement of common shares is limited to 50,000,000. The percentage of the private placements would take up to 30.46% of the issued common shares after the capital increase. In addition, the Directors of the Board will be reshuffled after the office term of the Board is due on June, 9<sup>th</sup>, 2023. Therefore, it has not been concluded whether introducing strategic investors for the private placement would cause significant changes in managerial control

##### (4) The impact of conducting private placement on the Company's business, financial affairs, and shareholders' equity.

###### i. The impact on Company's business operation

In response to the business development, financial structure improvement, and operational funds enrichment, the Company proposed to conduct fundraising by private placement. By introducing security subscribers or strategic investors who may be directly or indirectly beneficial to the Company's future business operation, it can ensure the long-term cooperation of the Company and the investing partners. It is expected to strengthen the overall competitiveness by enhancing industrial integration, technique research, quality improvement, and broadening or cultivating common markets and products. Therefore, it is determined to be beneficial to the Company's business development.

ii. The impact on Coporation's financial affairs

This private placement is conducted according to Article 43-6, Securities Exchange Act by either or both means of the private placement of common shares or convertible corporate bonds, within the issued quota of 50,000,000 (including the number of private placements of convertible corporate bonds converted from the conversion price at the beginning of the period). This private placement shall be issued in three tranches within one year from the date of the shareholders' meeting' resolution. The fund raised by private placement can raise the ratio of the Company's equity fund and strengthen the Company's financial structure. Therefore, the private placement is beneficial to the Company's financial affairs.

iii. The impact on shareholders' equity

The fund raised by this private placement is to enrich the operational funds, repay the bank loan, and is helpful to strengthen the financial structure, reduce the interest expenditure and improve the Company's business performance. Therefore, this private placement is beneficial to enhance the shareholders' equity

5. Conclusion

In summary, this private placement of common shares or convertible corporate bonds issued by C-TECH UNITED CORP. in response to the future long-term business development is expected to reinforce the Company's financial structure, strengthen the Company's competitiveness, and improve business performance, which is beneficial to the Company's business, financial affairs, and shareholders' equity. This Security Underwriter has evaluated the Company's private placement according to Directions for Public Companies Conducting Private Placements of Securities and has determined it to be necessary and rational.

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Taishin Securities Co., Limited

Principal: Kuo, Jia-hong

Month/ Date/ 2023



### **Statement of Independence**

The Corporation has been entrusted by C-TECH UNITED Corp. (hereinafter referred to as C-TECH) to evaluate the necessity and rationality of conducting a private placement of common shares or convertible corporate bonds in 2023. And the reports of the evaluation have been issued.

The Corporation has executed the above-mentioned business, and hereby declares that there are no following circumstances:

1. The Corporation is not an investee corporation invested by C-TECH with the equity method.
2. The Corporation is not an investor to invest in C-TECH with the equity method.
3. The Chair or the General Manager of the Corporation is not the same as the Chair or the General Manager of C-TECH, nor do they have a relationship within the spouse or second degree.
4. The Corporation is not a Director or a Supervisor of C-TECH.
5. C-TECH is not a Director or a Supervisor of the Corporation.
6. The Corporation and C-TECH, besides the circumstances stated above, do not have any relationship specified in Article 18, Regulations Governing the Preparation of Financial Reports by Securities Issuers between two parties.

To evaluate the necessity and rationality of conducting a private placement of common shares and convertible corporate bonds for C-TECH, the evaluation reports issued by the Corporation maintain the spirit of detachment and independence.

Taishin Securities Co., Ltd.

Principal: Kuo, Jia-hong

May, 2<sup>nd</sup>, 2023

(The evaluation reports are only subjected to C-TECH UNITED Corp. for securities underwriters conducting the private placement of common shares or convertible corporate bonds in 2023.)

## Appendix 1

# C-TECH UNITED CORP.

## Rules of Procedures for Shareholders' Meetings

Amended by the annual shareholders' meeting on June 15<sup>th</sup>

1. The rules of procedure for the Company shareholder's meetings, unless otherwise provided by law, shall be provided in these Rules

1-1. To establish a favorable governance system and sound supervision functions, and to strengthen the management functions for the Company shareholders' meeting, the Rules are formulated according to Article 5, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

2. The shareholders' meeting, unless otherwise provided by law, shall be convened by the Board.

To alter the Company's way to convene the shareholder's meeting, it shall be resolved by the Board and at the latest before the notice of the shareholders' meeting is delivered.

The Company shall make electronic files including shareholders' meeting notice, letters of authorization, the reasons and explanations regarding ratification, discussion, election, and dismissal of Directors and upload those electronic files to the MOPS 30 days before the annual shareholders' meeting and 15 days before the special shareholders' meeting. And the shareholders' meeting handbook and the meeting's supplementary information shall be made into electronic files and upload to the MOPS 21 days before the annual shareholders' meeting and 15 days before the special shareholders' meeting. However, in the case of a TWSE or TPEX listed company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of the holding of the shareholders' meeting in the most recent fiscal year, it shall upload the electronic file 30 days prior to the day on which the shareholders' meeting is to be held. The Company shall prepare the shareholders' meeting handbook and the meeting's supplementary information for shareholders to read at any time 15 days prior to the shareholders' meeting. And the shareholders' meeting handbook and the meeting's supplementary information shall be displayed in the Company and its share affairs agency.

The aforementioned meeting handbook and the meeting's supplementary information shall be provided by the Company to the shareholders according to the following rules on the day on which the shareholders' meeting is held:

- (1) When convening an offline shareholders' meeting, the meeting handbooks and the meeting's supplementary information shall be distributed on-site.
- (2) When convening an offline shareholders' meeting with the assistance of a video call, the meeting handbooks and the meeting's supplementary information shall be distributed on-site and the electronic files shall be uploaded to the platform of the video call.
- (3) When convening an online shareholders' meeting, the electronic files shall be uploaded to the platform of the video call.

The notice and the announcement shall be stated with the reasons for convening. The notice shall be delivered electronically if the recipient agrees.

The matters that should be listed in the convening reasons and be stated with descriptions instead of being proposed on Questions and Motions: the election and dismissal of the Directors, the amendment of the Articles of Incorporation, capital reduction, application to cease public offering, releasing the prohibition on Directors from participation in competitive businesses, capitalization of retained earnings or capitalization of capital reserves, the dissolution, consolidation, or split-up of the Company, the matters stated in Article 185-1 in the Company Act, the matters stated in Article 26-1 and Article 43-6 in the Securities Exchange Act, the matters stated in Article 56-1 and Article 60-2 in the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

If the convening reasons for the shareholders' meeting have been stated with the matter of reshuffling of the Directors and the date of assumption, the same shareholders' meeting shall not alter the date of assumption by Questions and Motions or other means.

Shareholders who hold 1% or more of the total number of issued shares of the Company may propose a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in every single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing the means (by paper or electronically), the place, and the period for shareholders to submit proposals to be discussed at the meeting. And the period for accepting such proposals shall not be less than 10 days. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to the date of delivering the shareholders' meeting notice, inform all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. For the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board at the shareholders' meeting.

3. A shareholder may appoint a proxy to attend a shareholders' meeting on his/her behalf by issuing letters of authorization printed by the Company stating therein the scope of power authorized to the proxy.

A shareholder may only execute one letter of authorization and appoint one proxy only and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previously written proxy is made in the proxy which comes later.

After the letter of authorization is delivered to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person, a proxy rescission notice shall be filed with the Company on paper at least two days prior to the date of the shareholders' meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

After the letter of authorization is delivered to the Company, in case the shareholder intends to attend the shareholders' meeting via a video call, a proxy rescission notice shall be filed with the Company on paper at least two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

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

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

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.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished.

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

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

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

- 3-1. When the Company convenes a shareholders' meeting with video conferencing, it shall specify the following matters in the shareholders' meeting notice:

- (1) The means for shareholders to take part in the video conferencing and exercise their rights.
- (2) Measures to be taken if, due to circumstances of a natural disaster, unforeseen event, or other force majeure event, any disruption occurs in the video conferencing platform or in participation by means of video conferencing, including at least the following particulars:
  - i. To what time the meeting is postponed or from what time the meeting will resume if the above disruption continues and cannot be eliminated, and the date to which the meeting is postponed or on which the meeting will resume.
  - ii. Shareholders that have not registered to take part by video conference in the originally scheduled shareholders' meeting may not take part by video conference in the postponed or reconvened meeting.
  - iii. When the Company convenes a hybrid shareholders' meeting, if the virtual meeting cannot be continued, then if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting by video conferencing, meets the legal quorum for holding a shareholder meeting, the shareholders' meeting shall continue in session. The number of shares represented by the shareholders, proxy solicitors, or proxy agents who were attending the shareholders' meeting by video conferencing shall be counted toward the total number of shares represented by the shareholders attending the meeting, but they shall be deemed to have waived their voting rights on all proposals at that shareholders' meeting.

- iv. Measures shall be taken if the outcome of all proposals have been announced but Questions and Motions have not yet been proceeded with.
4. Voting at a shareholders' meeting shall be calculated based on the number of shares.  
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 this 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.  
Except for 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 three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
5. The shareholder's meeting shall be convened at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the shareholder's meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m. The place and time of the meeting shall fully consider the opinions of the Independent Directors.  
When conducting a video conference, the place for convening the meeting is not limited by the restrictions of the preceding paragraph
6. If a shareholders' meeting is convened by the Board, the meeting shall be chaired by the Chair of the Board. When the Chair of the Board is on leave or for any reason unable to exercise the powers of the Chair, the Vice Chair shall act in place of the Chair; if there is no Vice Chair or the Vice Chair also is on leave or for any reason unable to exercise the powers of the Vice Chair, the Chair shall appoint one of the Managing Directors to act as Chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as Chair. Where the Chair does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as Chair.  
When a managing Director or a Director serves as Chair, as referred to in the preceding paragraph, the managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person Director that serves as Chair.  
It is advisable that shareholders' meetings convened by the Board attended by a majority of the Directors.  
Where as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the Chair of that meeting provided; however, that if there are two or more persons having the convening right, the Chair of the meeting shall be elected from among themselves.
7. The Company may appoint its attorneys, certified public accountants, or related persons to attend shareholders' meetings.
8. The Company shall make an audio or video recording of the shareholders' meetings and be retained for at least 1 year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the records shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.  
Where a shareholders' meeting is held online, this Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast, and results of votes counted by this Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.  
The information and audio and video recording in the preceding paragraph shall be properly kept by this Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.  
In case of a virtual shareholders' meeting, this Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.
9. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.  
The Chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.  
However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, this Company shall also declare the meeting adjourned at the virtual meeting platform.  
If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175-

1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to this Company in accordance with Rule 3.

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

10. If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. Votes shall be cast on each separate proposal in the agenda (including Questions and 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 Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including Questions and Motions), except by a resolution of the shareholders' meeting. If the Chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board 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.

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

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

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

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

13. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the Chair declaring the meeting open until the Chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The Rules 11 to 13 do not apply.

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

15. The Chair should grant the proposals, the amendment, or the questions and motions proposed by shareholders with opportunities for full explanations and discussions. When the Chair believes that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and call for a vote.

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

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

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

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

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

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for Questions and Motion, they will not exercise

voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

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

If the meeting venue is no longer available for continued use and not all of the items (including Questions and 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.

18. Except in the circumstances stated in Article 179-2 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her possession.

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

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

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

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

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

- 19-1. 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, and the names of Directors not elected and number of votes they received.

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

- 19-2. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

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

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

with shall also be included in the minutes.

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

The resolution of the proceeding paragraph shall be specified that it is approved by the Chair after consultation with all shareholders present without objection if the Chair puts the matter before all Directors present at the meeting and none voices an objection. However, if shareholders voice objection to the matter, the resolution shall be specified with the means of voting, the number of votes, and the proportion of the votes.

- 19-3. 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 the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

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

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

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

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

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

21. In the event of a virtual shareholders' meeting, this Company shall disclose real-time results of votes and elections immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the Chair has announced the meeting adjourned.
22. When the Company holds a virtual shareholders' meeting, the Chair and the recording staff shall be at the same place in the country, and the Chair should announce the address of the meeting place in the meeting.
23. In the event of a virtual shareholders' meeting, this Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

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

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

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

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

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

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

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

24. When convening a virtual-only shareholders' meeting, this Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.
25. The Rules and any revision thereof shall become effective after approval at the shareholders' meeting.
26. The Rule was enacted on April 9<sup>th</sup>, 2004
  - The first amendment of the Rule was made on June, 6<sup>th</sup>, 2006
  - The second amendment of the Rule was made on June 26<sup>th</sup>, 2013
  - The third amendment of the Rule was made on June 10<sup>th</sup>, 2018
  - The fourth amendment of the Rule was made on August 11<sup>th</sup>, 2021
  - The fifth amendment of the Rule was made on June 15<sup>th</sup>, 2022



## Appendix 2

# C-TECH UNITED CORP. Articles of Incorporation

## Chapter I – General Provisions

- Article 1. The Company is incorporated, as a Company limited by shares, under the Company Act, and its name shall be 西勝國際股份有限公司 in the Chinese language and C-TECH UNITED CORP. in the English language.
- Article 2. The Company engages in the following business:
1. CC01080 Electronics Components Manufacturing
  2. CC01090 Manufacture of Batteries and Accumulators
  3. CC01110 Computer and Peripheral Equipment Manufacturing
  4. F113010 Wholesale of Machinery
  5. F113030 Wholesale of Precision Instruments
  6. F113050 Wholesale of Computers and Clerical Machinery Equipment
  7. F113060 Wholesale of Telecommunication Apparatus
  8. F113070 Wholesale of Telecommunication Apparatus
  9. F113110 Wholesale of Batteries
  10. F213110 Retail Sale of Batteries
  11. F401010 International Trade
  12. CC01070 Wireless Communication Mechanical Equipment Manufacturing
  13. CC01060 Wired Communication Mechanical Equipment Manufacturing
  14. F213060 Retail Sale of Telecommunication Apparatus
  15. F401201 Restrained Telecom Radio Frequency Equipments and Materials Import
  16. F119010 Wholesale of Electronic Materials
  17. F119010 Retail Sale of Electronic Materials
  18. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company is situated in New Taipei, Taiwan, Republic of China, and may set up a subsidiary Company at home and abroad through the resolution of the Board and upon approval of the government authorities in charge.
- Article 4. Deleted
- Article 4-1. When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments in such other companies is not limited by restriction stated in Article 13, Company Act that the investment shall not exceed 40 % of the amount of the Company's own paid-up capital.
- In addition, the Company, due to the need for business operation or investment, may act as a guarantor to provide endorsement and guarantee.

## Chapter II – Shares

- Article 5. The total capital stock of the Company is NT\$2,000,000,000, divided into 200,000,000 shares, with a par value of NT\$10 each. The Company reserved NT\$85,000,000 divided into 200,000,000 shares, with a par value of NT\$10 each for issuing employees' stock options. The shares shall be issued by installment under the resolution of the Board.

- Article 5-1. When the Coporation issues employee share subscription warrant at the share subscribed price which is lower than the closing price of the Company’s share on the date of issue or transfer the shares to employees at a price lower than the average actual repurchased shares, the Company shall start issuing or transferring the share once the Company obtain the consent of at least two-thirds of the voting rights represented at a shareholders’ meeting attended by shareholders representing a majority of the total issued shares.
- Article 5-2. The employees of parents or subsidiaries of the Company meeting certain specific requirements shall be entitled to receive the Company’s buyback shares.  
The employees of parents or subsidiaries of the Company meeting certain specific requirements shall be entitled to receive the Company’s employee share subscription warrant.  
When the Company issues new shares, the employees of parents or subsidiaries of the Company meeting certain specific requirements shall be entitled to purchase the new shares.  
When the Company issues restricted shares for employee, the employees of parents or subsidiaries of the Company meeting certain specific requirements shall be entitled to purchase the restricted shares.  
And the certain specific requirements shall be established by the authorized Board.
- Article 6. Deleted
- Article 7. Deleted
- Article 8. The Company adopts a registered stock system which is signed by the Company’s Directors and issued after being certified by banks competent to serve as attesters for the issuance of share certificates under the laws. The Company may issue shares without printing share certificates and shall contact and register the issued shares under a centralized securities depository enterprise, and the same applies to other securities.
- Article 9. The Company’s operation of all the matters regarding shares shall follow the “Regulations Governing the Administration of Shareholder Services of Public Companies” issued by the competent authority.

### Chapter III – Shareholders’ Meeting

- Article 10. Shareholders’ meetings consist of two types, one is regular shareholders’ meetings, the other is provisional shareholders’ meetings. The regular shareholders’ meeting shall be conducted once a year and shall be held within six months after the end of the fiscal year every year. The provisional shareholders’ meeting shall be held when necessary, according to the law.  
The shareholders’ meeting of the Company, after being resolved by the Board, shall be held through visual communication network or other methods promulgated by the central competent authority.  
Shareholders’ meeting which is exercised through visual communication networks shall adopt prescriptions provided for by the competent authority
- Article 11. The shareholders’ meeting shall be convened under the regulation of Article 172, the Company Act. The Company shall convene the shareholders who hold less than 1,000 registered shares by making announcement on the MOPS.
- Article 12. When a shareholder is unable to attend the shareholders’ meeting, the shareholder shall appoint a proxy by issuing a letter of authorization printed by the Company stating therein the scope of power authorized to the proxy. The procedure of the Company’ shareholders attending meetings by proxy, unless otherwise provided in Article 177, the Company Act, shall be conducted under Regulations Governing the Use of Proxies for Attendance at Shareholder Meetins of Public Companies promulgated by the competent authority.
- Article 13. All shareholders of the Company, unless otherwise provided by law, are entitled to one vote for each share held.
- Article 14. Resolutions at a shareholders' meeting, unless otherwise provided by relevant laws, shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

- Article 15. If a shareholders' meeting is convened by the Board, the meeting shall be chaired by the Chair of the Board. When the Chair of the Board is on leave, the Chair shall appoint one Director to act as Chair. When there is no such appointment, the Directors shall select from among themselves one person to serve as Chair. If a shareholders' meeting is convened by any person having the convening right, he/she shall act as the Chair of that meeting provided; however, that if there are two or more persons having the convening right, the Chair of the meeting shall be elected from among themselves.
- Article 16. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chair of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding paragraph shall be conducted according to the regulation stated in Article 183 of the Company Act.
- Article 16-1. When the Company's shares are proposed to suspend public offering, it shall be submitted to the shareholders' meetings for resolution. This Article shall not be altered during the emerging period and the listing period.

#### Chapter IV – Directors and the Audit Committee

- Article 17. The Company shall have seven to nine Directors elected at the shareholders' meeting from the candidate list by adopting the system of nominating candidates. The term of office for the Directors shall be three years and shall be eligible for re-election. The Independent Directors and Non-independent Directors shall be elected in the same election, and the elected seats shall be counted individually.
- The Company shall have, among the aforementioned Directors, at least three Independent Directors, and the number of Independent Directors shall not be less than one-fifth of the total number of Directors.
- Independent Directors' professional qualification, shareholding, limitation of other hustles, the means of nomination and election, and other compliance matters shall be operated according to the Securities Competent Authority's relevant regulations
- Article 17-1. Deleted
- Article 17-2. According to Article 14-4, the Securities Exchange Act, the Company shall establish the Audit Committee, which shall consist all the Independent Directors. The number of the Independent Directors in the Audit Committee must not be less than three. Among them, one shall be the convener, and at least one shall have accounting or financial expertise.
- Article 17-3. The Board shall also establish other functional committees, of which the organizational regulations shall be approved by the Board.
- Article 18. The Board shall be organized by the Directors. The Chair shall be elected with a majority of the voted represented by the attending shareholders in the meeting where two-thirds of the Directors present. The Chair shall externally represent the Company. When the Chair is on leave or for some reasons cannot exercise the Chair's duty, the appointment of the Chair's representative shall be conducted according to Article 208 of the Company Act.
- Article 18-1. In calling a meeting of the Board, a notice stating the reasons for the meeting shall set forth to the Directors seven days prior to the meeting. However, in the case of emergency, a meeting of the Board may be convened at any time. The aforementioned notice for the meeting shall be delivered on paper, by email, or by fax.
- Article 19. When the number of vacancies in the Board equals one-third of the total number of Directors, the Board, according to the laws, shall call a special meeting of shareholders to elect succeeding Directors to fill the vacancies. The office term of the elected Directors to fill the vacancies shall be limited to the office term of the predecessors.

Article 20. The Directors shall attend the Board meeting in person. When a Director is unable to attend the meeting, the Director shall appoint an attending Director as a proxy by issuing a letter of authorization stating the scope of authorization of the convening reasons for the meeting. The aforementioned proxy is limited to one person's appointment. When a Board meeting is convened by a visual communication network, the Directors attending such a meeting shall be deemed to have attended the meeting in person.

Article 21. The Board is authorized to determine, with reference of the domestic and international industry, the remuneration of the Directors based on the level of their participation in the Company's operation and the value of their contribution.

Article 21-1. The Corporaion may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

#### Chapter V - Managers

Article 22. The Company shall appoint a number of managerial officers. The appointment, dismissal, and remuneration of the officers shall be governed by Article 29 of the Compan Act.

#### Chapter VI - Account

Article 23. The Company shall submit to the shareholders' meeting for the approval of the business report, financial statement, profit distribution, or loss make-up proposal.

Article 24. Where the Company has a profit at the end of each fiscal year, the Company shall appropriate 5% to 20% as employee's remuneration, and less than 5 % as Directors' remuneration. After the distribution of remuneration is resolved by the Board, the Company shall pay the taxes according to the law and allocate 10 % as a legal reserve. However, when the legal reserve amounts to the Company's total paid-in capital, this provision shall not apply. After the balance is set aside or reversed to the special capital reserve according to the laws and combined with the accumulated undistributed profits, the Board shall submit a profit distribution proposal to the shareholder's meeting for a resolution on the distribution of shareholders' dividends.

When setting aside a special capital reserve according to the law, the Company shall, before distributing the retained profits, set aside a special capital reserve amounting to the undistributed retained profits of the preceding period for the amount of cumulative net increase of investment properties in fair value of preceding period and the cumulative net amount of other deductions from the equity of preceding period. If there remains any insufficiency, allocate the special capital reserve from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period that is included in the undistributed earnings of the period.

When the Company intends to distribute the dividends, bonuses, or all or part of legal/ capital reserve in cash,

The Company may have the dividends, bonuses, or the legal and capital reserve in whole or part to be distributed in cash. The Board is authorized to conduct such distribution by a resolution adopted by a majority of Directors present representing two-thirds or more of the Directors and reported to the shareholders' meeting.

When there are accumulated losses, the Company shall offset the loss before appropriating the employees' and Directors' remuneration for the current year's profits and then appropriate the balance according to the proportion of the preceding paragraph. When the employee's remuneration is distributed in shares or cash, the recipients shall include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

Article 25. The Company, in consideration of its environment and growth stage, and response to future capital demand, financial structure, profits situation, and the balanced, stable dividend policy, will adopt share dividends or cash dividends depending on capital needs and the diluted earnings per share. The cash dividends shall not be less than 20% of the annual distributable profit; however, the shareholder's meeting shall resolve to adjust the distributing principle of share dividends and cash dividends.

#### Chapter VII – Supplementary Provisions

Article 26. Matters not addressed in these Articles of Incorporation shall be governed by the Company Act and other applicable regulations

Article 27. These Articles of Incorporation were enacted on May 3, 1996.

The 1<sup>st</sup> amendment was made on August 28, 1996

The 2<sup>nd</sup> amendment was made on January 8, 1998

The 3<sup>rd</sup> amendment was made on August 30, 1999

The 4<sup>th</sup> amendment was made on May 14, 2001

The 5<sup>th</sup> amendment was made on June 20, 2002

The 6<sup>th</sup> amendment was made on May 14, 2003

The 7<sup>th</sup> amendment was made on June 30, 2003

The 8<sup>th</sup> amendment was made on January 27, 2004

The 9<sup>th</sup> amendment was made on April 9, 2004

The 10<sup>th</sup> amendment was made on December 6, 2004

The 11<sup>th</sup> amendment was made on September 5, 2006

The 12<sup>th</sup> amendment was made on November 26, 2007.

The 13<sup>th</sup> amendment was made on June 26, 2008.

The 14<sup>th</sup> amendment was made on June 24, 2009.

The 15<sup>th</sup> amendment was made on August 10, 2009.

The 16<sup>th</sup> amendment was made on June 23, 2010.

The 17<sup>th</sup> amendment was made on June 9, 2011.

The 18<sup>th</sup> amendment was made on June 20, 2012.

The 19<sup>th</sup> amendment was made on June 25, 2014.

The 20<sup>th</sup> amendment was made on June 22, 2016.

The 21<sup>st</sup> amendment was made on June 10, 2020

The 22<sup>nd</sup> amendment was made on June 15, 2022.

C-TECH UNITED CORP.

Chair of the Board: Huang, Zhong-wei

## Appendix 3

# C-TECH UNITED CORP. Procedures for Election of Directors

Amended on June 10, 2010 by the shareholders' meeting

Article 1. Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of Directors shall be conducted in accordance with these Procedures.

Article 1-1. To ensure a just, fair, and open election of Directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2. The election of the Board shall be held at the shareholder's meeting.

Article 2-1. The overall composition of the Board shall be taken into consideration in the election of the Company's Board. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability
4. Crisis management ability
5. Knowledge of the industry
6. An international market perspective
7. Leadership ability
8. Decision-making ability

More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 2-2. The qualifications for the Independent Directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of Independent Directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2-3. Elections of Directors at the Company shall be conducted in accordance with the candidate nomination system. When the number of Directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of Directors falls short by one-third of the total number prescribed in this Company's Articles of Incorporation, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of Independent Directors falls below that required under the provision of Article 14-2, Paragraph 1 of the Securities and Exchange Act, Taiwan Stock Exchange Company Rules Governing Review of Securities Listing, and Section 8 of the Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchanges Rules Governing the Review of Securities for Trading on the TPEX, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 3. The single-named cumulative voting method shall be adopted for election of the Directors at the Company. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Each share will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 4. The Directors shall be elected from the competent persons from the shareholders. The number of Directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for Independent and Non-independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 5. The Board shall prepare separate ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting.
- Article 6. Before the election begins, the Chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 7. The ballot boxes shall be prepared by the Board and publicly checked by the vote monitoring personnel before voting commences.
- Article 8. If a candidate is a shareholder, the attendances shall fill in the field of candidate with the candidate's name and account number of shareholder. If a candidate is not a shareholder, the field of candidate on the ballot shall be filled with the candidate's name and ID number. When a government or a juristic person is a candidate, the field of candidate on the ballot shall be filled with the name of the government or the juristic person, and the name of the government or the juristic person's representative. Where there are several representatives, the name of the representative should be added seperately.
- Article 9. A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
  2. A blank ballot is placed in the ballot box.
  3. The writing is unclear and indecipherable or has been altered.
  4. A candidate being as a shareholder, whose identity and shareholder account number do not match with the shareholders' list.
  5. A shareholder not being a candidate, whose name and ID number are invalid upon examination.
  6. Other words or marks are entered in addition to the candidate's name, shareholder account number, or ID number.
  7. A candidate who shares the same name with other shareholders but the shareholder account number and the ID number are not filled in for identification.
  8. A ballot is filled with two or more than two candidates
- Article 10. The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation shall be announced by the Chair on the site.
- Article 11. The Board shall issue notifications to the persons elected as Directors.
- Article 12. Matters not addressed in these Procedures for Election of Directors shall be governed by the Company Act and other applicable regulations
- Article 13. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

**Appendix 4****C-TECH United CORP.  
Shareholding of Directors**

1. According to Article 26, the Security and Exchange Act, the minimum number of legally-held shares of all the Directors shall be 8,000,000.
2. The number of shares held by individuals and all Directors recorded in the shareholder register as of the closing date of the shareholders' meeting (May 2, 2023) is listed in the table below.

<b>Title</b>	<b>Name</b>	<b>Shareholding</b>
<b>Chair</b>	<b>Representative of Mega Peak Investment Co., Ltd.: Huang, Zhong-wei</b>	<b>2,774,580</b>
<b>Director</b>	<b>Representative of Zhaojie International Co., Ltd.: Huang, Jin-cheng</b>	<b>5,005,696</b>
<b>Director</b>	<b>Representative of Zhaoxiang International Co., Ltd.: Wu, Zheng-qing</b>	<b>5,128,416</b>
<b>Director</b>	<b>Li, Zhi-gui</b>	<b>607,388</b>
<b>Independent Director</b>	<b>Weng, Hong-lin</b>	<b>127,468</b>
<b>Independent Director</b>	<b>Xu, Yu-mei</b>	<b>92,590</b>
<b>Independent Director</b>	<b>Zheng, Wen-long</b>	<b>0</b>

Note: Until the closing date of the shareholders' meeting, the total number of shares held by all Directors (excluding Independent Directors) of the Company is 13,516,080 shares, which complies with the provisions of Article 26 of the Securities Exchange Law.