

**CyberTAN Technology Inc.**

**2024 Annual Meeting of Shareholders**

**Meeting Handbook**

**(Translation)**

**June 25, 2024**

**Disclaimer: This is translation of the handbook for the annual shareholders' meeting of CyberTAN and is intended solely for reference. CyberTAN hereby disclaims any and all liabilities whatsoever for the translation. In event of discrepancies, the Chinese version shall prevail.**

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# **CyberTAN Technology Inc.**

## **2024 Agenda of the Annual Meeting of Shareholders**

- I. Call the Meeting to Order
- II. Chairman in Position
- III. Address of the Chairman
- IV. Report Items
- V. Ratification Items
- VI. Elections
- VII. Others
- VIII. Extempore Motion
- IX. Adjournment

# **CyberTAN Technology Inc.**

## **2024 Agenda of the Annual Meeting of Shareholders**

Time: June 25, 2024 (Tuesday), 9.00 am

Place: Hsinchu Science Park, No. 99, Yuanqu 3rd Rd., Baoshan Township, Hsinchu County

I. Address of the Chairman

II. Report Items:

- (1) 2023 Business report.
- (2) 2023 Audit Committee's review report.
- (3) Report 2023 no appropriations of earnings in cash dividends.
- (4) 2023 Directors' remuneration.
- (5) 2023 Treasury Stock Execution Report.

III. Ratification Items:

- (1) Proposal for ratification of 2023 business report and financial statements.
- (2) Proposal for 2023 Deficit Compensation.

IV. Elections

- (1) Proposal for reelection of the Company's directors.

V. Others

- (1) Removal of Non-Competition Restriction for the new Directors of the Company.

VI. Extempore Motion

VII. Adjournment

# Report Items

## Motion 1

Proposal: 2023 business report for approval.

Explanation: For the business report, please refer to the Attachment 1 on Page 6~7 of the Handbook.

## Motion 2

Proposal: 2023 Audit Committee's review report for approval.

Explanation: For the Audit Committee's review report, please refer to Attachment 2 on Page 8~9 of the Handbook.

## Motion 3

Proposal: Report 2023 no appropriations of earnings in cash dividends.

Explanation: 1.Pursuant to Article 20-1 of the Articles of Corporation, Bonuses to shareholders shall be allocated from the accumulated distributable earnings and shall be no less than 15% of the distributable earnings of the current year. No distribution is required if the distributable earnings of the current year are less than 3% of the paid-in capital.  
2.CyberTAN's 2023 year is a net loss after tax. In order to consider the future operating conditions and working capital needs, the accumulated surplus in 2023 is planned to be fully retained and not distributed.

## Motion 4

Proposal: 2023 Directors' remuneration.

Explanation: 1.Pursuant to Article 16 of the Articles of Corporation, The Board of Directors is authorized to decide the level of remuneration to directors based on their individual involvement in and contribution to the operation of the Company and with reference to the peer level, At present, only the independent directors of the Company receive fixed remuneration, and the other directors do not receive any other remuneration except attendance fees for each board meeting; all directors of the Company do not receive remuneration.  
2.For the 2023 Directors' remuneration, please refer to Attachment 3 on Page 10 of the Handbook.

## Motion 5

Proposal: 2023 Treasury Stock Execution Report.

Explanation: For the 2023 Treasury Stock Execution Report, please refer to Attachment 4 on Page 11 of the Handbook.

## Ratification Items

Motion 1 (Proposed by the Board of Directors)

Proposal: Proposal for ratification of 2023 business report and financial statements.

Explanation: 1. The 2023 financial statements (including separate and consolidated financial statements) of the Company have been audited by the CPAs Min-Chuan Feng and Yung-Chien Hsu of PwC Taiwan, and an independent audit report has been issued. The business report of the Company has been audited by the Audit Committee.  
2. For the aforesaid business report, CPA's audit report and financial statements, please refer to Attachment 1 on Page 6~7 and Attachment 5 on Page 12~38 of the Handbook.

Resolution:

Motion 2 (Proposed by the Board of Directors)

Proposal: Proposal for 2023 Deficit Compensation.

Explanation: CyberTAN's net loss after tax for the 2023 fiscal year was NT\$316,829,701. and the accumulated distributable surplus by the end of 2022 was NT\$35,008,183, For the 2023 deficit compensation list, please refer to Attachment 6 on Page 39 of the Handbook.

Resolution:

## Elections

Motion 1 (Proposed by the Board of Directors)

Proposal: Proposal for reelection of the Company's directors, proposed for execution of election.

Explanation: I. The term of office of the directors of the Company will expire on July 29, 2024, and in accordance with Article 195 of the Company Act, new directors for the next term shall be elected completely.  
II. According to the provisions of the Company's Articles of Incorporation, for the present election, seven directors (including four independent directors) shall be elected with the adoption of the candidates nomination system, and directors shall be elected at the shareholders' meeting from the candidate roster. The term of office shall be three years from June 25, 2024 to June 24, 2027. The term of office of the original directors shall end at the completion of the present annual general meeting.  
III. The List of Nominated Candidates for Directors (Including

Independent Directors) has been approved by the board of directors of the Company through resolution on March 11, 2024. Please refer to Attachment 7, page 40, of this Handbook for relevant information on the educational background, experience, shareholding, etc.

- IV. The present election is executed in accordance with the “Rules Governing the Election of Directors” of the Company.

Election  
Result:

## **Others**

Motion 1 (Proposed by the Board of Directors)

Proposal: Removal of Non-Competition Restriction for the new Directors of the Company.

- Explanation:
- I. Pursuant to Article 209 of the Company Act, “a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval”.
  - II. Based on the consideration of the operational needs and business of the Company, the non-compete restriction on the directors and their representatives elected in the present shareholders’ meeting is proposed to be removed.
  - III. Please refer to Attachment 8, page 41 of this Handbook for the Status of Nominated Candidates for Directors (Including Independent Directors) and Concurrent Positions in Other Companies.

Resolution:

## **Extempore Motion**

## **Adjournment**

# Attachment 1

## CyberTAN Technology Inc. Business Report

We sincerely appreciate your great support for CyberTAN Technology over the past year. We hereby provide a report on the 2023 operational outcome and the 2024 future outlook of the Company for your review and consideration:

### **2023 Financial and Operational Outcomes**

Looking back at our operating outcomes in 2023, our revenue last year reached NTD 3.8 billion, a 33% decline from 2022. The operating performance was not as good as expected, which was indeed unsatisfactory. While many factors contributed to our unsatisfactory operating performance in 2023, we continued to deploy and adjust our operational strategies in the past year. We are expected to shake off the slump in 2024 and gradually regain our growth momentum, with revenue and profitability showing significant improvement.

The overall operating results are summarized as follows: In 2023, our net revenue was NTD 3,805,393 thousand; our net operating loss was NTD 466,557 thousand. The net loss after tax was NTD 316,830 thousand, and the loss per share after tax was NTD 0.97. Regarding our financial operations, we have adhered to the principle of stability and have planned long- and short-term fund usage based on the status of our operations. In 2023, the current ratio was 233.52%, and the debt ratio was 32.57%. Such results show that we currently have sufficient working capital and that our financial structure is sound.

### **2024 Business Outlook**

Despite the uncertainties surrounding global economic growth in 2024, the Company will indeed face many internal and external challenges after over a year of adjustments. However, we have achieved new breakthroughs in the following aspects, and we are confident that by demonstrating our execution capabilities, we will deliver outstanding results in 2024.

- In terms of R&D and business, we're fully committed to the R&D of new product lines to complement the outdated products and technology layouts in the past. We also announced the launch of the CyberWiFi series in the fourth quarter to enter the SME and SOHO markets. The new product line, combined with our self-developed cloud platform and management features, provides SMEs/factory customers and SI vendors with excellent network communication solutions that offer high cost-effectiveness and cloud-based intelligent management. In addition, with the improvement of CyberTAN's R&D capabilities, we have won several new projects in 2024.
- In terms of production and manufacturing, in order to meet the Company's more diversified product lines and operational growth in 2024, we completed the land acquisition in Bac Giang province, Vietnam, and officially broke ground for the new plant in mid-October. The new plant is expected to be completed in Q4 2024 and put into production in Q1 2025. The construction of the new plant and the relocation of production are very important tasks for CyberTAN this year. Headquarters and plant managers, along with colleagues involved, have proactively planned and prepared in advance to ensure connecting shipments during the transfer.
- In terms of promoting corporate sustainability (ESG) initiatives, CyberTAN has launched the '2050 Net Zero Carbon Emission Roadmap' and set interim targets to achieve the goal of net zero emissions by 2050. Each ESG working team is to set short-term, mid-term and long-term goals and launch work plans. The key points in 2024 include: greenhouse gas inventory, green energy construction of renewable energy, sustainable supplier performance, comprehensive external information security testing, and enhancement of occupational safety and security and enhance the professional training of employees. CyberTAN will continue to implement corporate sustainable development in economic, social, environmental, and other aspects.



Looking to the future, CyberTAN will not only launch new products and expand its customer base but also begin to organize an ecosystem to seize vertical markets and emerging fields and accumulate momentum for future growth. In addition, we are actively promoting technological advancement, including upgrading standards, deepening AI integration, and adopting open architectures. This not only facilitates the introduction of new products into new markets but also improves product performance, application services, device management, and introduction costs, thereby improving user experience and solidifying CyberTAN's future position in Wi-Fi and networking.

In 2024, CyberTAN is expected to achieve outstanding results and return good operating results to investors. Despite the challenges in the external environment, we believe that as long as each of our colleagues steadily progresses towards our goals step by step, we will be able to achieve this. Lastly, we want to thank our shareholders, customers, suppliers and all employees for their long-time support and encouragement.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Manager: Even Huang

## **Attachment 2**

### **Audit Committee's Review Report**

The 2023 financial statements (including separate and consolidated financial statements) of the Company prepared by the Board of Directors have been audited by the CPAs Min-Chuan Feng and Yung-Chien Hsu of PwC Taiwan, and an independent audit report has been issued. This report has been reviewed by the Audit Committee and no nonconformities were found. We hereby issue the above report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please approve.

To

**CyberTAN Technology Inc.**  
2024 Annual Meeting of Shareholders

Audit Committee Convener: Ting Hung-Hsun

March 11, 2024

## **Audit Committee's Review Report**

The 2023 financial statements (including separate and consolidated financial statements) of the Company prepared by the Board of Directors and the proposal for deficit compensation. have been reviewed by the Audit Committee and no nonconformities were found. We hereby issue the above report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please approve.

To

**CyberTAN Technology Inc.**  
2024 Annual Meeting of Shareholders

Audit Committee Convener: Ting Hung-Hsun

May 10, 2024

## Attachment 3

### CyberTAN Technology Inc. 2023 Directors' remuneration

Unit: NTD thousand

Title	Name	Remuneration to Directors								Ratio of sum of A, B, C, and D to profit after tax %		Remuneration to directors who are employees								Ratio of sum of A, B, C, D, E, F and G to profit after tax %		Remuneration from investments beyond subsidiaries or the parent company
		Remuneration (A) (Note 1)		Retirement pension (B)		Remuneration to directors (C)		Business execution expenses (D) (Note)				Salaries, bonuses, special allowances, etc. (E)		Retirement pension (F)		Remuneration to employees (G)						
		The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company		All the companies included in the financial statements		The Company	All the companies included in the financial statements	
Chairman	Foxconn Technology Co., Ltd. Representative: Gwong-Yih Lee	-	-	-	-	-	-	-	-	-	-	9,059	9,059	-	-	-	-	-	-	9,059 (2.84)	9,059 (2.84)	None
Director	Foxconn Technology Co., Ltd. Representative: Hank Hsieh	-	-	-	-	-	-	-	-	-	-	4,387	4,387	-	-	-	-	-	-	4,387 (1.38)	4,387 (1.38)	None
Independent Director	Hung-Hsun Ting	-	-	-	-	-	-	422	422	422 (0.13)	422 (0.13)	-	-	-	-	-	-	-	-	422 (0.13)	422 (0.13)	None
Independent Director	Judy Y.C. Chang	-	-	-	-	-	-	420	420	420 (0.13)	420 (0.13)	-	-	-	-	-	-	-	-	420 (0.13)	420 (0.13)	None
Independent Director	Shih-Mei Lin	-	-	-	-	-	-	422	422	422 (0.13)	422 (0.13)	-	-	-	-	-	-	-	-	422 (0.13)	422 (0.13)	None
Independent Director	Ying-Shan Lin	-	-	-	-	-	-	420	420	420 (0.13)	420 (0.13)	-	-	-	-	-	-	-	-	420 (0.13)	420 (0.13)	None
<div><div>1.</div><div>Please describe the policy, system, standard and structure of remuneration payment for independent directors and specify the correlation with the remuneration payment amount based on the directors’ responsibility, risk, and involvement duration:The Company paid remunerations to the directors in consideration of the peer level in accordance with Article 16 of the Articles of Incorporation.</div></div> <div><div>2.</div><div>In addition to what is disclosed in the above table, the remuneration to the Company’s directors for providing services (such as assuming a non-employee advising post) for all the companies included in the financial statement in the most recent year: None.</div></div>																						

Note : The Company's directors did not receive any compensation from earning distribution but only received their business execution remuneration.

## Attachment 4

### CyberTAN Technology Inc. 2023 Treasury Stock Execution Report

Buy back installments	fifth
Purpose of the buyback	Transfer of shares to employees
Date of the board of directors resolution	2023/05/05
Expected buyback period	2023/05/08 ~ 2023/07/07
Expected number of repurchases	Common stock 800,000 shares
Price range per share	NT\$ 16.2 ~ 34
The actual period bought back	112/05/16 ~ 112/07/07
The actual quantity bought back	Common stock 795,000 shares
Amount of shares bought back	NT\$ 17,585,961
Average buyback price per share	NT\$ 22.12
The ratio of the quantity bought back to the quantity scheduled to be bought back (%)	99.38%
Number of shares canceled and transferred	730,000 shares
Cumulative number of shares held in the company	65,000 shares
Ratio of the cumulative number of shares held in the company to the total number of issued shares (%)	0.02%

Note: As of April 27, 2024, the book closure starting date, total shares issued are 330,235,418 common shares

## **Attachment 5**

### **Independent Auditors' Report**

(2024) Cai-Shen-Bao-Zi No.23004798

To CyberTAN Technology Inc.:

### **Audit opinion**

We have audited the standalone balance sheet of CyberTAN Technology Inc. (hereinafter referred to as the “CyberTAN”) as at December 31, 2023 and 2022, the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only cash flow statement for the periods January 1 to December 31, 2023 and 2022, and the accompanying footnotes (including summary of major accounting policies).

In our opinion, based on our audit results and other independent auditors' report (please refer to the other matter section), all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and presented a fair view of the parent company only financial position of CyberTAN as at December 31, 2023 and 2022, and business performance and cash flow for the periods January 1 to December 31, 2023 and 2022.

### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the ROC Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of CyberTAN in accordance with the Code of Ethics for Professional Accountants of the Republic of China and with other responsibilities of the Code of Ethics performed. According to our audits and other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for the opinion.

### **Key audit matters**

The “key audit matters” means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2023 parent company only financial statements of CyberTAN. These matters were addressed in the content 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 those matters.

The key audit matters of the 2023 parent company only financial statements of CyberTAN are described as follows:

### **Evaluation of allowance for inventory valuation loss**

#### **Item Description**

Regarding the accounting policies for the inventory valuation, please refer to Note 4(12) to the parent company only financial report; for the uncertainty to accounting estimates and assumptions, please refer to Note 5(2) to the parent company only financial report; for description of inventory accounting titles, please refer to Note 6(5) to the parent company only financial report. The balances of valuation loss regarding the inventory and allowance for inventory on December 31, 2023 were NTD 150,044 thousand and NTD 1,896 thousand, respectively.

CyberTAN is mainly involved in the sale of communication products manufactured by the subsidiaries. The risk caused by loss on inventory devaluation or the obsolescence of inventory may be higher due to the short life cycle and severe market competition. Inventory is evaluated by CyberTAN and its subsidiaries on the basis of the cost and net realizable value, whichever is lower. The aforementioned loss of allowance for inventory valuation was mainly due to the inventory measured at the cost and net realizable value, whichever is lower, and identification of obsolescent or damaged inventory items. Because the large inventory amount and enormous items of CyberTAN and its subsidiaries as well as the objective judgments of the management concerned during the identification of obsolescent or damaged inventory belong to the field to be determined during the audit, we listed the evaluation of the loss of allowance for inventory valuation of CyberTAN and its subsidiaries as one of the important matters in the audit.

#### **Responsive Audit Procedures**

The responsive procedures executed by us for specific aspects specified in the preceding key audit matters are as follows:

1. Adopted the acquired allowance policy for inventory devaluation of CyberTAN and its subsidiaries during the comparative period of financial statements and evaluated the reasonableness of the allowance policy.
2. Acquired the net realizable value statement of inventory cost, randomly checked the related supporting documents, recalculated its accuracy, validated the appropriateness of the logic of the inventory aging report system used for evaluation, conducted spot checks for individual inventory numbers to confirm the degree of inventory closeout and information, and evaluated the basis of the net realizable value estimated by the management and its

reasonableness.

3. Checked related information acquired during inventory taking process and inquired the management and personnel related to inventory to confirm conditions of obsolescent, remaining, older, out-of-fashion or damaged inventory neglected in the inventory details.

### **Evaluation of the loss of accounts receivable**

#### **Item Description**

Regarding the accounting policies for the loss evaluation of accounts receivable, please refer to Note 4(9) to the parent company only financial report; for the uncertainty to accounting estimates and assumptions regarding the loss evaluation of accounts receivable, please refer to Note 5(2) to the parent company only financial report; for description of accounts receivable accounting titles, please refer to Note 6(4) to the parent company only financial report. The balances of accounts receivable (including the related party) and its allowance loss on December 31, 2023 were NTD 973,273 thousand and NTD 7,476 thousand, respectively.

CyberTAN regularly assesses whether there is objective evidence implicating the impairment of individual accounts receivable. The assessment method includes the consideration of overdue ages of accounts receivable, customer's financial status, historical trading record, and subsequent collections. The Group also calculates the loss ratio based on past aging data statements and considers expected credit losses of industrial forward-looking evaluation to estimate the amount of loss allowance to be recognized. Because the estimation process involves the objective judgment of the management toward the preceding impairment evidence, the factor impacting the recognized amount of loss allowance tends to have high uncertainty, causing significant impact on the recoverable amount of accounts receivable. Therefore, we consider CyberTAN's evaluation of the impairment loss of accounts receivable as one of the important matters in the audit.

#### **Responsive Audit Procedures**

The responsive procedures executed by us for specific aspects specified in the preceding key audit matters are as follows:

1. Understand and evaluate the reasonableness of the allowance policy and procedure regarding the allowance loss of accounts receivables.
2. Acquire the aging data statement the management used to evaluate the expected credit loss ratio of accounts receivable, confirm its data source logic is consistently adopted and test relevant forms to confirm the correctness of its aging data.
3. Evaluate the reasonableness of the estimation used by management to evaluate the expected



credit loss ratio of accounts receivable and acquire related supporting documents, including forward-looking adjustments, disputable accounts, status of lasting aging, subsequent collection status, financial status impacting the customer, and signs suggesting the customer is unable to pay as scheduled.

### **Other matters – Audit related to other CPAs**

For the companies invested under equity method in the aforementioned parent company only financial statements of CyberTAN, we have not audited the financial statements which was prepared based on different financial report structure, instead other CPAs did. Therefore, our opinions expressed on the amount listed in said parent company only financial statements of such companies and related information disclosed in Note 13 were based on the other independent auditor's report. The balances of the invested company under the equity method as of December 31, 2023 and 2022 were NTD 13,677 thousand and NTD 18,444 thousand, respectively. The comprehensive income recognized under the equity method for the said companies were NTD (3,919) thousand and NTD (17,728) thousand on January 1 to December 31, 2023 and 2022, respectively.

### **Responsibilities of Management and the Governance Unit with Governance of the Parent Company Only Financial Statements**

The management is responsible for preparing the appropriate parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Report by Securities Issuers. Additionally, it is responsible for maintaining the internal control mechanism that is related to and necessary for the preparation of the parent company only financial statements. As a result, it can ensure material misstatement due to fraud or error is not pertained in the parent company only financial statements.

In preparing the parent company only financial statements, the management is also responsible for assessing the ability of CyberTAN to continue as a going concern, disclosing, as applicable, matters related to ongoing concerns and using the going concern basis of accounting unless management either intends to liquidate the CyberTAN or to cease operations, or there is a lack of any option except for liquidation or suspension.

The governance unit (including the audit committee) of CyberTAN is responsible for supervising the financial reporting process.

### **Independent 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 ROC auditing standards will always detect a material misstatement in the parent company only financial statements when it exists. Misstatement can arise from fraud or error. If fraud or errors are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also:

1. Identify and assess the risk of material misstatement of the parent company only financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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. We acquire the necessary understanding of the internal control mechanism that is related to the audit to design an appropriate audit process for the situation at the time. The purpose of the knowledge is not to express opinions on the effectiveness of the internal control mechanism of CyberTAN.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.

4. Based on the acquired audit evidence, we decide whether the going concern accounting basis adopted by the management is suitable, whether events that might affect the going concern capacity of CyberTAN exist, and whether there is major uncertainty. A conclusion will be made afterwards. 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 inappropriate, to modify our opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause the CyberTAN to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of individual companies within the CyberTAN in order to express an opinion on the parent company only financial statements. The independent auditor is responsible for guiding, supervising, and implementing the individual audit of CyberTAN, and also for forming an audit opinion for the parent company only financial statements.

We communicate with the governance units 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 in charge of governance with a statement that we have complied with the Code of Ethics for Professional Accountants of the Republic of China 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).

The independent auditor has used the communications with the governing unit as the basis to determine the key audit matters to be performed on the 2023 parent company only financial statements of CyberTAN. We clearly state all above matters in the audit report, unless the law prohibits us to publicly disclose certain matters, or under rare circumstances we decide not to include certain matters in the audit report since we can reasonably expect the resulting negative impact is greater than the public interest they bring.

PricewaterhouseCoopers Taiwan

FENG-MIN CHUAN

CPA

HSU-YUNG CHIEN

Former Securities and Futures Bureau, Financial Supervisory  
Commission of Executive Yuan

Approval Reference No.: Jin-Guan-Zheng-Liu-Zi No. 0960038033

Former Securities and Futures Commission, Ministry of Finance

Approval Reference No.: (84)-Tai-Cai-Zheng-(Liu) No. 13377

March 11, 2024

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CyberTAN Technology Inc.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: NTD thousand

	Assets	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	<b>Current assets</b>					
1100	Cash and cash equivalents	6(1)	\$ 1,116,036	18	\$ 712,594	10
1110	Financial assets measured at fair value through profit or loss - current	6(2)	1,613	-	-	-
1136	Financial assets measured at amortized cost – current	6(3) and 8	699,415	11	550,000	8
1170	Accounts receivable, net	6(4)	803,448	13	1,322,241	19
1180	Accounts receivable – the related party, net	6(4) and 7	162,349	3	652,969	9
1210	Other receivables- the related party	7	380,710	6	946,450	14
1220	Income tax assets in the current period		2,828	-	12,416	-
130X	Inventory	6(5)	148,148	3	101,662	1
1479	Other current assets – others		21,274	-	14,593	-
11XX	<b>Total current assets</b>		<u>3,335,821</u>	<u>54</u>	<u>4,312,925</u>	<u>61</u>
	<b>Non-current assets</b>					
1535	Financial assets measured at amortized cost -non-current	6(3) and 8	308,809	5	22,504	-
1550	Investment at equity method	6(6)	1,451,362	23	1,606,377	23
1600	Property, plant and equipment	6(7)	565,703	9	601,458	9
1755	Right-of-use assets	6(8) and 7	207,889	3	227,264	3
1780	Intangible assets		8,666	-	1,739	-
1840	Deferred income tax assets	6(26)	116,462	2	63,003	1
1990	Other non-current assets – others	6(10)	213,217	4	209,021	3
15XX	<b>Total non-current assets</b>		<u>2,872,108</u>	<u>46</u>	<u>2,731,366</u>	<u>39</u>
1XXX	<b>Total assets</b>		<u>\$ 6,207,929</u>	<u>100</u>	<u>\$ 7,044,291</u>	<u>100</u>

(To be continued)

CyberTAN Technology Inc.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: NTD thousand

Liabilities and equity		Notes	December 31, 2023		December 31, 2022			
			Amount	%	Amount	%		
Current liabilities								
2100	Short-term loans	6(11)	\$	39,916	1	\$	449,955	7
2130	Contract liabilities – current	6(19)		48,601	1		54,820	1
2170	Accounts payable			800,155	13		1,001,387	14
2180	Accounts payable – the related party	7		36,607	-		19,541	
2200	Other payables			170,411	3		103,277	2
2220	Other payables – the related party	7		7,969	-		3,356	-
2250	Liability reserve – current	6(14)		4,345	-		9,367	-
2280	Lease liabilities – current			17,516	-		17,889	-
2365	Refund liabilities – current			2,795	-		4,645	-
2399	Other current liabilities -others			87,397	1		75,865	1
21XX	Total current liabilities			1,215,712	19		1,740,102	25
Non-current liabilities								
2550	Liability reserve – non-current	6(14)		8,594	-		9,144	-
2570	Deferred income tax liabilities	6(26)		6,431	-		5,573	-
2580	Lease liabilities – non-current			200,431	4		218,034	3
2600	Other non-current liabilities	7		6,832	-		6,571	-
25XX	Total non-current liabilities			222,288	4		239,322	3
2XXX	Total liabilities			1,438,000	23		1,979,424	28
Equity								
	Capital stock	6(14)						
3110	Common stock			3,302,554	53		3,302,154	47
	Capital reserves	6(16)						
3200	Capital reserves			622,678	10		620,772	9
	Retained earnings	6(17)						
3310	Legal reserve			825,257	13		825,257	12
3320	Special reserve			162,392	3		122,154	2
3350	Undistributed earnings			28,086	-		393,963	5
	Other equity	6(18)						
3400	Other equity		(	169,612)	( 2)	(	199,433)	( 3)
	Treasury stocks	6(15)						
3500	Treasury stocks		(	1,426)	-		-	-
3XXX	Total equity			4,769,929	77		5,064,867	72
	Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts Significant Subsequent Events	9 11						
3X2X	Total liabilities and equity		\$	6,207,929	100	\$	7,044,291	100

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee

CyberTAN Technology Inc.  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand  
(Except the unit of loss per share is NTD)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	\$ 3,800,028	100	\$ 5,737,047	100
5000	Operating cost	6(5)(24)(25) and 7	( 3,619,365)	( 95)	( 5,543,955)	( 97)
5900	Operating gross profit		180,663	5	193,092	3
	Operating expense	6(24)(25) and 7				
6100	Selling expenses		( 37,425)	( 1)	( 14,364)	-
6200	Administrative expenses		( 97,842)	( 3)	( 86,723)	( 2)
6300	R&D expenses		( 275,382)	( 7)	( 249,355)	( 4)
6450	Expected credit impairment gains (losses)	12(2)	12,166	-	( 12,286)	-
6000	Total operating expenses		( 398,483)	( 11)	( 362,728)	( 6)
6900	Operating losses		( 217,820)	( 6)	( 169,636)	( 3)
	Non-operating revenue and expenses					
7100	Interest revenue	6(20)	25,112	1	10,998	-
7010	Other revenue	6(21) and 7	71,704	2	75,108	1
7020	Other gains and losses	6(22)	134,947	3	18,220	1
7050	Financial Costs	6(23) and 7	( 8,906)	-	( 23,891)	-
7070	Share of profit or loss of subsidiaries, affiliated companies and joint ventures recognized under the equity method	6(6)	( 374,160)	( 10)	( 339,198)	( 6)
7000	Total non-operating income and expense		( 151,303)	( 4)	( 258,763)	( 4)
7900	<b>Net profit before tax</b>		( 369,123)	( 10)	( 428,399)	( 7)
7950	Income tax benefits	6(26)	52,293	2	61,725	1
8200	<b>Current net loss</b>		<u>(\$ 316,830)</u>	<u>( 8)</u>	<u>(\$ 366,674)</u>	<u>( 6)</u>
	<b>Other comprehensive income</b>					
	<b>Items not reclassified to profit or loss</b>					
8311	Remeasurement of defined benefit plan	6(12)	\$ 2,041	-	\$ 5,438	-
8330	Share of other comprehensive income of subsidiaries, affiliated companies and joint ventures recognized under the equity method – items not reclassified to profit or loss	6(6)	( 5,453)	-	( 69,487)	( 1)
8349	Income tax related to items not reclassified	6(26)	( 408)	-	( 1,088)	-
8310	Total of items not reclassified to profit or loss		( 3,820)	-	( 65,137)	( 1)
	<b>Items may be reclassified to profit or loss subsequently</b>					
8361	Exchange difference in the financial statement translation of the foreign operation	6(18)	1,715	-	32,671	-
8380	Share of other comprehensive income of subsidiaries, affiliated companies and joint ventures recognized under the equity method – items may be reclassified to profit or loss	6(18)	562	-	12,912	-
8399	Income tax related to items may be reclassified	6(18)(26)	( 343)	-	( 6,535)	-
8360	Total of items may be reclassified to profit or loss subsequently		1,934	-	39,048	-
8300	<b>After-tax income of other comprehensive losses for the year</b>		<u>(\$ 1,886)</u>	<u>-</u>	<u>(\$ 26,089)</u>	<u>( 1)</u>
8500	<b>Total comprehensive loss for the period</b>		<u>(\$ 318,716)</u>	<u>( 8)</u>	<u>(\$ 392,763)</u>	<u>( 7)</u>
	Basic losses per share					
9750	Total basic losses per share	6(27)	<u>(\$ 0.97)</u>		<u>(\$ 1.12)</u>	

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee

CyberTAN Technology Inc.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		Retained earnings					Other equity				
							Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
Notes		Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings					
<u>2022</u>											
		\$ 3,286,054	\$ 572,050	\$ 821,042	\$ 187,892	\$ 701,395	(\$ 118,968 )	(\$ 3,186 )	\$ -	\$ -	\$ 5,446,279
		-	-	-	-	( 366,674 )	-	-	-	-	( 366,674 )
Other comprehensive income for the year	6(18)	-	-	-	-	12,425	39,048	( 77,562 )	-	-	( 26,089 )
Total comprehensive income for the year		-	-	-	-	( 354,249 )	39,048	( 77,562 )	-	-	( 392,763 )
Appropriation and allocation of earnings in 2021:	6(17)										
Allocated legal reserve		-	-	4,215	-	( 4,215 )	-	-	-	-	-
Reversal of special reserves		-	-	-	( 65,738 )	65,738	-	-	-	-	-
Allocation of cash dividends		-	-	-	-	( 16,430 )	-	-	-	-	( 16,430 )
Disposal of equity instruments measured at fair value in other comprehensive income	6(18)	-	-	-	-	1,856	-	( 1,856 )	-	-	-
Issuance of new restricted employee shares	6(13)(15)(16)(18)	16,100	28,392	-	-	-	-	-	( 44,492 )	-	-
Share-based payment for remuneration	6(13)(18)	-	-	-	-	-	-	-	7,451	-	7,451
Changes in equity of affiliated companies are not recognized in accordance with the shareholding percentage	6(6)(16)	-	20,459	-	-	-	-	-	-	-	20,459
Disposal of investments accounted for using the equity method	6(16)(18)	-	( 129 )	-	-	( 132 )	-	132	-	-	( 129 )
Balance at December 31, 2022		<u>\$ 3,302,154</u>	<u>\$ 620,772</u>	<u>\$ 825,257</u>	<u>\$ 122,154</u>	<u>\$ 393,963</u>	<u>(\$ 79,920 )</u>	<u>(\$ 82,472 )</u>	<u>(\$ 37,041 )</u>	<u>\$ -</u>	<u>\$ 5,064,867</u>

(To be continued)



CyberTAN Technology Inc.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Notes	Common stock	Capital reserves	Retained earnings			Other equity			Treasury stocks	Total
				Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration		
<u>2023</u>											
Balance at January 1, 2023		\$ 3,302,154	\$ 620,772	\$ 825,257	\$ 122,154	\$ 393,963	(\$ 79,920 )	(\$ 82,472 )	(\$ 37,041 )	\$ -	\$ 5,064,867
Current net loss		-	-	-	-	( 316,830 )	-	-	-	-	( 316,830 )
Other comprehensive income for the year	6(18)	-	-	-	-	186	1,934	( 4,006 )	-	-	( 1,886 )
Total comprehensive income for the year		-	-	-	-	( 316,644 )	1,934	( 4,006 )	-	-	( 318,716 )
Appropriation and allocation of earnings in 2022:	6(17)										
Allocated special reserve		-	-	-	40,238	( 40,238 )	-	-	-	-	-
Repurchase of treasury shares	6(15)	-	-	-	-	-	-	-	-	( 17,573 )	( 17,573 )
Transfer of treasury stock to employees	6(15)	-	-	-	-	-	-	-	-	16,147	16,147
Issuance of new restricted employee shares	6(13)(15)(16)(18)	1,300	1,364	-	-	-	-	-	( 2,664 )	-	-
Revocation of restricted employee shares	6(13)(15)(16)(18)	( 900 )	( 1,175 )	-	-	-	-	-	2,075	-	-
Share-based payment for remuneration	6(13)(18)	-	-	-	-	-	-	-	23,487	-	23,487
Changes in equity of affiliated companies are not recognized in accordance with the shareholding percentage	6(6)(16)	-	10,953	-	-	-	-	-	-	-	10,953
Disposal of investments accounted for using the equity method	6(16)(18)	-	( 9,236 )	-	-	( 8,995 )	-	8,995	-	-	( 9,236 )
Balance at December 31, 2023		<u>\$ 3,302,554</u>	<u>\$ 622,678</u>	<u>\$ 825,257</u>	<u>\$ 162,392</u>	<u>\$ 28,086</u>	<u>(\$ 77,986 )</u>	<u>(\$ 77,483 )</u>	<u>(\$ 14,143 )</u>	<u>(\$ 1,426 )</u>	<u>\$ 4,769,929</u>

Please refer to the notes of the parent company only financial statements, which constitute a part of the parent company only financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee

CyberTAN Technology Inc.  
Parent Company Only Statement of Cash Flow  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flow from operating activities</u>			
Net loss before tax for the period		( \$ 369,123 )	( \$ 428,399 )
Adjustment items			
Income/expenses items without impact on cash flow			
Depreciation expenses	6(24)	45,714	45,295
Miscellaneous expenses – depreciation expenses	6(22)	20,694	20,533
Amortization expenses	6(24)	4,590	1,950
Expected credit impairment (gains) losses	12(2)	( 12,166 )	12,286
Interest expenses	6(23)	8,906	23,891
Miscellaneous expenses - Interest expenses	6(22)	2,180	2,334
Interest revenue	6(20)	( 25,112 )	( 10,998 )
Net loss from financial assets at fair value through profit or loss	6(2)(22)	24,982	-
Share-based payment for remuneration	6(13)	23,487	7,451
Share of losses of from subsidiaries, affiliated companies and joint ventures recognized under the equity method	6(6)		339,198
Gains on disposal of investment accounted for using equity method	6(6)(22)	( 208,691 )	( 4,039 )
Changes of assets/liabilities related to operating activities			
Net changes of assets/liabilities related to operating activities			
Financial assets measured at fair value through profit or loss		( 26,595 )	-
Accounts receivable		530,959	( 613,314 )
Accounts receivable – the related party		490,620	( 334,884 )
Other receivables- the related party		565,740	( 741,495 )
Inventory		( 46,486 )	3,558
Other current assets – others		( 4,505 )	( 5,124 )
Other non-current assets		( 2,185 )	( 327 )
Net changes of liabilities related to operating activities			
Contract liabilities – current		( 6,219 )	21,436
Accounts payable		( 201,232 )	520,252
Accounts payable – the related party		17,066	( 54,466 )
Other payables		70,427	12,217
Other payables – the related party		4,613	( 1,722 )
Refund liabilities – current		( 1,850 )	2,494
Liability reserve		( 5,572 )	4,043
Other current liabilities -others		11,532	44,812
Cash inflow (outflow) from operations		1,285,934	( 1,133,018 )
Income tax received (paid)		8,530	( 1,064 )
Net cash inflow (outflow) from operating activities		1,294,464	( 1,134,082 )
<u>Cash flow from investing activities</u>			
Acquisition/disposal of financial assets measured at amortized cost – current		( 435,721 )	638,332
Acquisition of investment under equity method	6(6)	( 343,865 )	( 95,511 )
Proceeds from disposal of investment under equity method	6(6)	331,103	6,125
Cash dividend distributed by affiliated companies recognized under the equity method	6(6)	849	2,445
Acquisition of property, plant, and equipment	6(7)	( 11,652 )	( 38,233 )
Disposal of property, plant, and equipment proceeds	6(7)	-	1,594
Acquisition of intangible asset		( 11,517 )	( 3,689 )
Interest received		22,965	11,030
Net cash (outflow)inflow from investing activities		( 447,838 )	522,093
<u>Cash flow from financing activities</u>			
Decrease in short-term loans		( 410,038 )	( 120,495 )
Increases (decrease) in guarantee deposits		262	( 419 )
Repayment of lease principal	6(28)	( 17,603 )	( 17,793 )
Allocation of cash dividends	6(17)	-	( 16,430 )
Interest paid		( 14,379 )	( 21,053 )
Cost of the repurchase of treasury shares	6(15)	( 17,573 )	-
Employee purchase of treasury shares	6(15)	16,147	-
Net cash outflow from financing activities		( 443,184 )	( 176,190 )
Increase (decrease) in cash and cash equivalents in the current period		403,442	( 788,179 )
Balance of cash and cash equivalents, beginning		712,594	1,500,773
Balance of cash and cash equivalents, ending		\$ 1,116,036	\$ 712,594

## Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No.23005098

To CyberTAN Technology Inc.:

### **Audit opinion**

We have audited the consolidated balance sheet of CyberTAN Technology Inc. and the subsidiaries (hereinafter referred to as the “CyberTAN Group”) as of December 31, 2023 and 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the notes to the consolidated financial statements. (including the summary of the material accounting policies) for periods of January 1 to December 31, 2023 and 2022.

In our opinion, the major issues of said consolidated financial statements appear to have been duly worked out in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers, International Financial Reporting Standards (IFRS), Regulations and IAS, Interpretations and Interpretation Gazettes recognized and effective upon promulgation by the Financial Supervisory Commission. The financial statements present fairly the consolidated financial position of CyberTAN Group as of December 31, 2023 and 2022, and the consolidated results of financial performance and consolidated cash flow for the periods starting from January 1 till December 31, 2023 and 2022.

### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the ROC Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of CyberTAN Group in accordance with the Code of Ethics for Professional Accountants of the Republic of China and with other responsibilities of the Code of Ethics performed. According to our audits and other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for the opinion.

### **Key audit matters**

The “key audit matters” means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2023 consolidated financial statements of CyberTAN Group. These matters were addressed in the content 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 those matters.

The key audit matters of the 2023 consolidated financial statements of CyberTAN Group are described as follows:

### **Evaluation of allowance for inventory valuation loss**

#### **Item Description**

Regarding the accounting policies for the inventory valuation, please refer to Note 4(14) to the consolidated financial report; for the uncertainty to accounting estimates and assumptions, please refer to Note 5(2) to the consolidated financial report; for description of inventory accounting titles, please refer to Note 6(6) to the consolidated financial report. The balances of valuation loss regarding the inventory and allowance for inventory on December 31, 2023 were NTD 975,457 thousand and NTD 93,967 thousand, respectively.

CyberTAN Group is involved in the manufacturing and sale of communication products. The risk caused by loss on inventory devaluation or the obsolescence of inventory may be higher due to the short life cycle and severe market competition. Inventory is evaluated by CyberTAN Group on the basis of the cost and net realizable value, whichever is lower. The aforementioned loss of allowance for inventory valuation was mainly due to the inventory measured at the cost and net realizable value, whichever is lower, and identification of obsolescent or damaged inventory items. Because the large inventory amount and enormous items of CyberTAN Group as well as the objective judgments of the management concerned during the identification of obsolescent or damaged inventory belong to the field to be determined during the audit, we listed the evaluation of the loss of allowance for inventory valuation of CyberTAN Group as one of the important matters in the audit.

#### **Responsive Audit Procedures**

The responsive procedures executed by us for specific aspects specified in the preceding key audit matters are as follows:

1. Adopted the acquired allowance policy for inventory devaluation of CyberTAN Group during the comparative period of financial statements and evaluated the reasonableness of the allowance policy.
2. Acquired the net realizable value statement of inventory cost, randomly checked the related supporting documents, recalculated its accuracy, validated the appropriateness of the logic of the inventory aging report system used for evaluation, conducted spot checks for individual inventory numbers to confirm the degree of inventory closeout and information, and evaluated the basis of the net realizable value estimated by the management and its reasonableness.
3. Checked related information acquired during inventory taking process and inquired the management and personnel related to inventory to confirm conditions of obsolescent,

remaining, older, out-of-fashion or damaged inventory neglected in the inventory details.

### **Evaluation of the loss of accounts receivable**

#### **Item Description**

Regarding the accounting policies for the loss evaluation of accounts receivable, please refer to Note 4(11) to the consolidated financial report; for the uncertainty to accounting estimates and assumptions regarding the loss evaluation of accounts receivable, please refer to Note 5(2) to the consolidated financial report; for description of accounts receivable accounting titles, please refer to Note 6(5) to the consolidated financial report. The balances of accounts receivable (including the related party) and its allowance loss on December 31, 2023 were NTD 973,225 thousand and NTD 7,476 thousand, respectively.

CyberTAN Group regularly assesses if there is objective evidence implicating the impairment of individual accounts receivable. The assessment method includes the consideration of overdue ages of accounts receivable, customer's financial status, historical trading record and subsequent collections. The Group also calculates loss ratio based on past aging data statement and considers expected credit losses of industrial forward-looking evaluation to estimate the amount of loss allowance to be recognized. Because the estimation process involves the objective judgment of the management toward the preceding impairment evidence, the factor impacting the recognized amount of loss allowance tends to have high uncertainty, causing significant impact on the recoverable amount of accounts receivable. Therefore, we consider CyberTAN Group's evaluation of the impairment loss of accounts receivable as one of the important matters in the audit.

#### **Responsive Audit Procedures**

The responsive procedures executed by us for specific aspects specified in the preceding key audit matters are as follows:

1. Understand and evaluate the reasonableness of the allowance policy and procedure regarding the allowance loss of accounts receivables.
2. Acquire the aging data statement the management used to evaluate the expected credit loss ratio of accounts receivable, confirm its data source logic is consistently adopted and test relevant forms to confirm the correctness of its aging data.
3. Evaluate the reasonableness of the estimation used by management to evaluate the expected credit loss ratio of accounts receivable and acquire related supporting documents, including forward-looking adjustments, disputable accounts, status of lasting aging, subsequent collection status, financial status impacting the customer, and signs suggesting the customer is unable to pay as scheduled.

## **Other matters – Audit related to other CPAs**

For the part of the companies invested under equity method in the aforementioned consolidated financial statements of CyberTAN Group, we have not audited the financial statements which was prepared based on different financial report structure, instead other CPAs did. Therefore, our opinions expressed on the amount listed in the said financial statements of the companies were based on the other independent auditor's report. The total assets (including investment under the equity method) of the companies was NTD 13,677 thousand and NTD 18,444 thousand on December 31, 2023 and 2022, accounting for 0% and 0% of the total consolidated assets, respectively. The operating revenue from January 1 to December 31, 2023 and 2022 was NTD 0 and NTD 0, accounting for 0% and 0% of the total net consolidated operating revenue.

## **Other matters – Parent company only financial statement**

CyberTAN Group had duly worked out the 2023 and 2022 parent company only financial statement for which we, the Undersigned Certified Public Accountant, have duly worked out standard type, Audit Report with unqualified (unreserved) opinion for reference.

## **Responsibilities of Management and the Governance Unit with Governance of the Consolidated Financial Statements**

The responsibility of management is to ensure that the consolidated financial statements are presented fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission. Additionally, management must maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of CyberTAN Group to continue as a going concern, disclosing, as applicable, matters related to ongoing concerns and using the going concern basis of accounting unless management either intends to liquidate the CyberTAN Group or to cease operations, or there is a lack of any option except for liquidation or suspension.

The governance unit (including the audit committee) of CyberTAN Group is responsible for supervising the financial reporting process.

## **Independent 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. Reasonable assurance is a high level of assurance, but is not a guarantee that any audit conducted in accordance with the ROC auditing standards will always detect a material misstatement in the consolidated financial statements when it exists. Misstatement can arise from fraud or error. If fraud or errors are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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. We acquire the necessary understanding of the internal control mechanism that is related to the audit to design an appropriate audit process for the situation at the time. The purpose of this knowledge is not to express opinions on the effectiveness of the internal control mechanism of the CyberTAN Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Based on the acquired audit evidence, we decide whether the going concern accounting basis adopted by the management is suitable, whether events that might affect the going concern capacity of CyberTAN Group exist, and whether there is major uncertainty. A conclusion will be made afterwards. 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 inappropriate, to modify our opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause the CyberTAN Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), 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 on the financial information of individual companies within the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group, and also for forming an opinion on the audit of the

Group.

We communicate with the governance units 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 in charge of governance with a statement that we have complied with the Code of Ethics for Professional Accountants of the Republic of China 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).

The independent auditor has used the communications with the governing unit as the basis to determine the key audit matters to be performed on the 2023 consolidated financial statements of CyberTAN Group. We clearly state all above matters in the audit report, unless the law prohibits us to publicly disclose certain matters, or under rare circumstances we decide not to include certain matters in the audit report since we can reasonably expect the resulting negative impact is greater than the public interest they bring.

Pricewaterhouse Coopers Taiwan

FENG-MIN CHUAN

CPA

HSU-YUNG CHIEN

Former Securities and Futures Bureau, Financial Supervisory  
Commission of Executive Yuan

Approval Reference No.: Jin-Guan-Zheng-Liu-Zi No. 0960038033

Former Securities and Futures Commission, Ministry of Finance

Approval Reference No.: (84)-Tai-Cai-Zheng-(Liu) No. 13377

March 11, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.



CyberTAN Technology Inc. and the subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NTD thousand

Assets		Notes	December 31, 2023		December 31, 2022			
			Amount	%	Amount	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,502,583	21	\$	1,355,849	18
1110	Financial assets measured at fair value through profit or loss - current	6(2)		1,613	-		-	-
1136	Financial assets measured at amortized cost – current	6(4) and 8		904,551	13		550,441	7
1170	Accounts receivable, net	6(5)		806,114	11		1,324,474	18
1180	Accounts receivable – the related party, net	6(5) and 7		159,635	2		652,969	9
1200	Other receivables	7		44,696	1		50,804	1
1220	Income tax assets in the current period			5,561	-		14,777	-
130X	Inventory	6(6)		881,490	13		1,148,332	15
1470	Other current assets			19,981	-		9,273	-
11XX	Total current assets			4,326,224	61		5,106,919	68
Non-current assets								
1517	Financial assets measured at fair value through profit or loss – non-current	6(3)		10,464	-		18,235	-
1535	Financial assets measured at amortized cost -non-current	6(4) and 8		308,809	4		22,504	-
1550	Investment at equity method	6(7)		783,537	11		965,229	13
1600	Property, plant and equipment	6(8)		900,758	13		807,507	11
1755	Right-of-use assets	6(9) and 7		386,686	6		296,273	4
1780	Intangible assets			24,957	-		18,068	-
1840	Deferred income tax assets	6(28)		116,459	2		64,320	1
1900	Other non-current assets	6(12)		216,199	3		212,159	3
15XX	Total non-current assets			2,747,869	39		2,404,295	32
1XXX	Total assets		\$	7,074,093	100	\$	7,511,214	100

(To be continued)

CyberTAN Technology Inc. and the subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NTD thousand

Liabilities and equity			December 31, 2023		December 31, 2022			
			Amount	%	Amount	%		
Current liabilities								
2100	Short-term loans	6(13)	\$	590,516	8	\$	449,955	6
2130	Contract liabilities – current	6(21)		48,648	1		57,990	1
2170	Accounts payable			822,316	11		1,038,097	14
2180	Accounts payable – the related party	7		44,169	1		22,797	-
2200	Other payables			186,972	3		194,218	3
2220	Other payables – the related party	7		12,385	-		18,007	-
2230	Income tax liabilities in the current period			-	-		10,531	-
2250	Liability reserve – current	6(16)		4,345	-		9,367	-
2280	Lease liabilities – current	7		53,091	1		55,287	1
2365	Refund liabilities – current			2,795	-		4,645	-
2399	Other current liabilities -others			87,397	1		75,865	1
21XX	Total current liabilities			1,852,634	26		1,936,759	26
Non-current liabilities								
2550	Liability reserve – non-current	6(16)		8,594	1		9,144	-
2570	Deferred income tax liabilities	6(28)		6,431	-		5,573	-
2580	Lease liabilities – non-current	7		429,673	6		488,301	7
2600	Other non-current liabilities	7		6,832	-		6,570	-
25XX	Total non-current liabilities			451,530	7		509,588	7
2XXX	Total liabilities			2,304,164	33		2,446,347	33
Equity attributable to parent company shareholders								
	Capital stock	6(17)						
3110	Common stock			3,302,554	47		3,302,154	44
	Capital reserves	6(18)						
3200	Capital reserves			622,678	9		620,772	8
	Retained earnings	6(19)						
3310	Legal reserve			825,257	11		825,257	11
3320	Special reserve			162,392	2		122,154	2
3350	Undistributed earnings			28,086	-		393,963	5
	Other equity	6(10)						
3400	Other equity		(	169,612)	( 2)	(	199,433)	( 3)
	Treasury stocks	6(17)						
3500	Treasury stocks		(	1,426)	-		-	-
31XX	Total equity attributable to parent company shareholders			4,769,929	67		5,064,867	67
3XXX	Total equity			4,769,929	67		5,064,867	67
	Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts	9						
	Significant Subsequent Events	11						
3X2X	Total liabilities and equity		\$	7,074,093	100	\$	7,511,214	100

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee

CyberTAN Technology Inc. and the subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand  
(Except the unit of loss per share is NTD)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(21) and 7	\$ 3,805,393	100	\$ 5,753,342	100
5000	Operating cost	6(6)(26) (27) and 7	( 3,795,451)	( 100)	( 5,466,483)	( 95)
5950	Net operating gross profit		9,942	-	286,859	5
	Operating expense	6(26)(27) and 7				
6100	Selling expenses		( 64,161)	( 2)	( 50,599)	( 1)
6200	Administrative expenses		( 133,474)	( 3)	( 161,246)	( 3)
6300	R&D expenses		( 291,030)	( 7)	( 275,649)	( 5)
6450	Expected credit impairment gains (losses)	12(2)	12,166	-	( 12,286)	-
6000	Total operating expenses		( 476,499)	( 12)	( 499,780)	( 9)
6900	Operating losses		( 466,557)	( 12)	( 212,921)	( 4)
	Non-operating revenue and expenses					
7100	Interest revenue	6(22)	36,050	1	21,761	1
7010	Other revenue	6(23) and 7	79,434	2	93,375	2
7020	Other gains and losses	6(24)	143,709	4	( 162,238)	( 3)
7050	Financial Costs	6(25) and 7	( 31,864)	( 1)	( 37,453)	( 1)
7060	The share of the profit or loss of affiliated companies, joint ventures recognized under the equity method	6(7)	( 126,063)	( 3)	( 109,162)	( 2)
7000	Total non-operating income and expense		101,266	3	( 193,717)	( 3)
7900	Net profit before tax		( 365,291)	( 9)	( 406,638)	( 7)
7950	Income tax benefits	6(28)	48,461	1	39,964	1
8200	Current net loss		(\$ 316,830)	( 8)	(\$ 366,674)	( 6)

(To be continued)

CyberTAN Technology Inc. and the subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand  
(Except the unit of loss per share is NTD)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
	<b>Other comprehensive income</b>					
	<b>Items not reclassified to profit or loss</b>					
8311	Remeasurement of defined benefit plan	6(14)	\$ 2,041	-	\$ 5,438	-
8316	Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income	6(3)(20)	( 7,764)	-	( 56,046)	( 1)
8320	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items not reclassified to profit or loss	6(7)	2,311	-	( 13,875)	-
8349	Income tax related to items not reclassified	6(28)	( 408)	-	( 654)	-
8310	Total of items not reclassified to profit or loss		( 3,820)	-	( 65,137)	( 1)
	<b>Items may be reclassified to profit or loss subsequently</b>					
8361	Exchange difference in the financial statement translation of the foreign operation	6(20)	1,715	-	32,671	-
8370	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items may be reclassified to profit or loss	6(7)(20)	562	-	12,912	-
8399	Income tax related to items may be reclassified	6(20)(28)	( 343)	-	( 6,535)	-
8360	Total of items may be reclassified to profit or loss subsequently		1,934	-	39,048	-
8300	<b>Other comprehensive income (net amount)</b>		( \$ 1,886)	-	( \$ 26,089)	( 1)
8500	<b>Total comprehensive income for the year</b>		( \$ 318,716)	( 8)	( \$ 392,763)	( 7)
	Net profit attributable to:					
8610	Parent company shareholders		( \$ 316,830)	( 8)	( \$ 366,674)	( 6)
	The total comprehensive income attributable to:					
8710	Parent company shareholders		( \$ 318,716)	( 8)	( \$ 392,763)	( 7)
	Basic losses per share	6(29)				
9750	Total basic losses per share		( \$ 0.97)		( \$ 1.12)	

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee

CyberTAN Technology Inc. and the subsidiaries  
Consolidated Statement of Changes in Shareholders' Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Notes	Equity attributable to parent company shareholders									
	Retained earnings					Other equity				
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
<u>2022</u>										
Balance at January 1, 2022	\$ 3,286,054	\$ 572,050	\$ 821,042	\$ 187,892	\$ 701,395	(\$ 118,968 )	(\$ 3,186 )	\$ -	\$ -	\$ 5,446,279
Current net loss	-	-	-	-	( 366,674 )	-	-	-	-	( 366,674 )
Other comprehensive income 6(20) for the year	-	-	-	-	12,425	39,048	( 77,562 )	-	-	( 26,089 )
Total comprehensive income for the year	-	-	-	-	( 354,249 )	39,048	( 77,562 )	-	-	( 392,763 )
Appropriation and allocation 6(19) of earnings in 2021:										
Allocated legal reserve	-	-	4,215	-	( 4,215 )	-	-	-	-	-
Reversal of special reserves	-	-	-	( 65,738 )	65,738	-	-	-	-	-
Allocation of cash dividends	-	-	-	-	( 16,430 )	-	-	-	-	( 16,430 )
Disposal of equity instrument 6(3)(20) measured at fair value through other comprehensive income	-	-	-	-	1,856	-	( 1,856 )	-	-	-
Issuance of new restricted employee shares 6(15)(17)(18)(20)	16,100	28,392	-	-	-	-	-	( 44,492 )	-	-
Share-based payment for remuneration 6(15)(20)	-	-	-	-	-	-	-	7,451	-	7,451
Changes in equity of affiliated 6(7)(18) companies are not recognized in accordance with the shareholding percentage	-	20,459	-	-	-	-	-	-	-	20,459
Disposal of investments 6(18)(20) accounted for using the equity method	-	( 129 )	-	-	( 132 )	-	132	-	-	( 129 )
Balance at December 31, 2022	\$ 3,302,154	\$ 620,772	\$ 825,257	\$ 122,154	\$ 393,963	(\$ 79,920 )	(\$ 82,472 )	(\$ 37,041 )	\$ -	\$ 5,064,867

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee

CyberTAN Technology Inc. and the subsidiaries  
Consolidated Statement of Changes in Shareholders' Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Notes	Equity attributable to parent company shareholders									
	Retained earnings					Other equity				
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
<u>2023</u>										
Balance at January 1, 2023	\$ 3,302,154	\$ 620,772	\$ 825,257	\$ 122,154	\$ 393,963	(\$ 79,920 )	(\$ 82,472 )	(\$ 37,041 )	\$ -	\$ 5,064,867
Current net loss	-	-	-	-	( 316,830 )	-	-	-	-	( 316,830 )
Other comprehensive income 6(20) for the year	-	-	-	-	186	1,934	( 4,006 )	-	-	( 1,886 )
Total comprehensive income for the year	-	-	-	-	( 316,644 )	1,934	( 4,006 )	-	-	( 318,716 )
Appropriation and allocation 6(19) of earnings in 2022:										
Allocated special reserve	-	-	-	40,238	( 40,238 )	-	-	-	-	-
Issuance of new restricted 6(15)(17)(18)(20) employee shares	1,300	1,364	-	-	-	-	-	( 2,664 )	-	-
Revocation of restricted 6(15)(17)(18)(20) employee shares	( 900 )	( 1,175 )	-	-	-	-	-	2,075	-	-
Share-based payment for 6(15)(20) remuneration	-	-	-	-	-	-	-	23,487	-	23,487
Changes in equity of affiliated 6(7)(18) companies are not recognized in accordance with the shareholding percentage	-	10,953	-	-	-	-	-	-	-	10,953
Disposal of investments 6(18)(20) accounted for using the equity method	-	( 9,236 )	-	-	( 8,995 )	-	8,995	-	-	( 9,236 )
Repurchase of treasury shares 6(17)	-	-	-	-	-	-	-	-	( 17,573 )	( 17,573 )
Transfer of treasury stock to 6(17) employees	-	-	-	-	-	-	-	-	16,147	16,147
Balance at December 31, 2023	<u>\$ 3,302,554</u>	<u>\$ 622,678</u>	<u>\$ 825,257</u>	<u>\$ 162,392</u>	<u>\$ 28,086</u>	<u>(\$ 77,986 )</u>	<u>(\$ 77,483 )</u>	<u>(\$ 14,143 )</u>	<u>(\$ 1,426 )</u>	<u>\$ 4,769,929</u>

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee

CyberTAN Technology Inc. and the subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flow from operating activities</u>			
Net loss before tax for the period		( \$ 365,291 )	( \$ 406,638 )
Adjustment items			
Income/expenses items			
Depreciation expenses	6(26)	121,217	94,710
Miscellaneous expenses – depreciation expenses	6(24)	20,694	20,533
Amortization expenses	6(26)	4,590	1,950
Expected credit impairment (gains) losses	12(2)	( 12,166 )	12,286
Net loss from financial assets at fair value through profit or loss	6(2)(24)	24,982	-
Interest revenue	6(22)	( 36,050 )	( 21,761 )
Interest expenses	6(25)	31,864	37,453
Miscellaneous expenses – Interest expenses	6(24)	2,180	2,334
Dividend revenue	6(3)(23)	-	( 10,095 )
Share of profit or loss from affiliated companies under the equity method	6(7)	126,063	109,162
Gains on disposal of investment accounted for using equity method	6(7)(24)	( 208,691 )	( 4,039 )
Gains on disposal of property, plant and equipment	6(24)	( 2,509 )	( 5,748 )
Share-based payment for remuneration	6(15)(27)	23,487	7,451
Impairment loss of right-of-use assets	6(11)(24)	-	218,302
Changes of assets/liabilities related to operating activities			
Net changes of assets/liabilities related to operating activities			
Financial assets measured at fair value through profit or loss		( 26,595 )	-
Accounts receivable (including the related party)		1,023,860	( 944,119 )
Inventory		266,842	( 603,111 )
Other receivables		9,126	( 40,767 )
Other current assets		( 10,708 )	( 2,787 )
Other non-current assets		( 2,184 )	( 328 )
Net changes of liabilities related to operating activities			
Contract liabilities - current		( 9,342 )	23,930
Accounts payable (including the related party)		( 194,409 )	401,897
Other payables (including the related party)		( 22,031 )	688
Refund liabilities – current		( 1,850 )	2,494
Liability reserve		( 5,572 )	4,043
Other current liabilities		11,532	41,253
Advance on rent		-	( 1,087 )
Cash inflow (outflow) from operations		769,039	( 1,061,994 )
Income tax paid		( 5,322 )	( 6,038 )
Net cash inflow (outflow) from operating activities		763,717	( 1,068,032 )

(To be continued)

CyberTAN Technology Inc. and the subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flow from investing activities</u>			
Disposal of financial assets proceeds measured at fair value through profit or loss	6(3)	\$ -	\$ 1,892
Acquisition/disposal of financial assets measured at amortized cost		( 640,415 )	638,332
Proceeds from disposal of investment under equity method	6(7)	331,103	6,125
Acquisition of investment under equity method	6(7)	( 63,042 )	( 95,511 )
Acquisition of property, plant, and equipment	6(30)	( 215,215 )	( 132,869 )
Disposal of property, plant, and equipment proceeds		2,837	8,890
Decrease in refundable deposit		186	6,227
Acquisition of intangible asset		( 11,517 )	( 3,689 )
Interest received		33,032	21,794
Dividends received	6(3)(23)	-	10,095
Cash dividend distributed by affiliated companies recognized under the equity method	6(7)	849	2,445
Acquisition for right-of-use assets	6(30)	( 126,252 )	-
Net cash (outflow)inflow from investing activities		( 688,434 )	463,731
<u>Cash flow from financing activities</u>			
Increase (decrease) in short-term loans		140,561	( 120,495 )
Increases (decrease) in guarantee deposits		262	( 1,317 )
Repayment of lease principal	6(31)	( 48,354 )	( 51,324 )
Allocation of cash dividends	6(19)	-	( 16,430 )
Interest paid		( 37,337 )	( 34,263 )
Cost of repurchase of treasury shares	6(17)	( 17,573 )	-
Employee purchase of treasury shares	6(17)	16,147	-
Net cash inflow (outflow) from financing activities		53,706	( 223,829 )
Foreign exchange rate effect		17,745	13,654
Increase (decrease) in cash and cash equivalents in the current period		146,734	( 814,476 )
Balance of cash and cash equivalents, beginning		1,355,849	2,170,325
Balance of cash and cash equivalents, ending		<u>\$ 1,502,583</u>	<u>\$ 1,355,849</u>

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Officer: I-Wen Lee



## Attachment 6

### CyberTAN Technology Inc. **2023 Deficit Compensation Statement**

Unit: NTD

2023 current net profit	(\$316,829,701)	
Add:Other comprehensive income for the year	186,429	
Less:Disposal of equity instrument measured at fair value through other comprehensive income	(8,994,873)	
Total of the current net profit plus items other than the current net profit		(\$325,638,145)
Less:Allocated legal reserve (10%) special reserve		0
		6,921,590
Earnings in 2023 available for distribution		(318,716,555)
Unappropriated retained earnings at the beginning of period		353,724,738
Accumulated distributable earnings up to the end of 2023		35,008,183
Distribution items:		
Cash dividends (NTD 0 per share) (note)		0
Undistributed earnings – end of period		\$35,008,183

Chairman: Gwong-Yih Lee

Manager: Gwong-Yih Lee

Accounting Manager: Even Huang

## Attachment 7

### CyberTAN Technology Inc.

#### List of Nominated Candidates for Directors (Including Independent Directors)

Candidate type	Candidate name	Educational background	Experience	Shareholding (Shares)
Director	Gwong-Yih Lee	Master of Electrical Engineering, State University of New York Master of Department of Electronics and Electrical Engineering, National Yang Ming Chiao Tung University	Chairman and President of CyberTAN Technology Inc.	663,000 shares
Director	Foxconn Technology Co., Ltd : Deaxy Wang	Master's Program of Electronic Engineering, Yuan Ze University	Associate of CyberTAN Technology Inc.	10,035,348 shares
Director	Foxconn Technology Co., Ltd : Raoul Oyang	Master of Applied Mathematics, National Chung Hsing University	Senior Director of R&D Division, TP-Link Taiwan R&D CO., Ltd.	10,035,348 shares
Independent Director	Judy Y.C. Chang (Note)	Doctor of Law, China University of Political Science and Law; Master of Information Management, Lawrence Institute of Technology; Master of Law, American University;	Senior Advisor of Wu & Partners, Attorneys-At-Law	0 shares
Independent Director	Hui-Chun Liu	LLB. National Taiwan University	supervisor of CyberTAN Technology Inc. Restructuring Supervisor of Wintek Technology Inc.	0 shares
Independent Director	Grace Lee	Doctor of Business Administration, NCCU Department Master of Business Administration, NCCU Department	General Manager of Business Division - Cost Management of Business Group B, Hon Hai Precision Industry Co., Ltd.	0 shares
Independent Director	Hualin Chi	MBA, University of Florida, USA BS, Dept of Business Administration, National Cheng Chi University.	Vice President & CFO 、 corporate governance officer 、 Head of Human Resources 、 spokesperson of Microelectronics Technology Inc.	0 shares

Note : reasons for continued nomination of the independent director whose term of office reaches three terms. : Independent director Ms. Judy Y.C. Chang has served as the company's independent director for three consecutive terms. Considering that she has legal expertise and extremely rich experience, she can provide important advice to the company and be of significant help to the company. Therefore, Ms. Judy Y.C. Chang is still included in the list this time. As one of the independent director candidates, he can still exert his expertise and provide professional advice on the supervision of the board of directors when performing his duties as an independent director.

## Attachment 8

### **CyberTAN Technology Inc. List of Directors Concurrent Positions in Other Companies**

Candidate type	Candidate name	Concurrent Positions in Other Companies
Director	Gwong-Yih Lee	Independent Director of Hauman Technologies Corp. Representative of the corporate director of Microelectronics Technology Inc. Partner of Translink Capital Director of Creative Technology Ltd. Director of ITRI International Inc. Director of FOOTPRINTKU INC.

## Appendix 1

### CyberTAN Technology Inc.

June 27, 2023

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

- Article 1 Except as otherwise specified by laws and regulations, the shareholders' meeting of CyberTAN Technology Inc. (hereinafter referred to as CyberTan) shall be held in accordance with the Rules of Procedure for Shareholders' Meetings.
- Article 2 Except as otherwise specified by laws and regulations, the Company's shareholders' meetings shall be convened by the Board of Directors. Changes to how the Company convenes its shareholders' meetings shall be resolved by the Board of Directors no later than the mailing of the meeting notice.
- The Company shall specify in the meeting notice the time and the place for accepting shareholders, solicitors, proxies (collectively the "Shareholders") to check in along with other matters for attention.
- The time for accepting shareholders to check in as described in the preceding paragraph shall be at least 30 minutes prior to the time when the meeting commences; the place for accepting the check-in procedure shall be clearly marked, and a sufficient number of suitable personnel shall be assigned to handle relevant matters; for a virtual shareholders' meeting, shareholders shall check in on the virtual shareholders' meeting platform 30 minutes prior to the time when the meeting commences, and those who complete the check-in procedure shall be deemed attending the shareholders' meeting in person.
- In the event of a virtual shareholders' meeting, the Company shall upload the agenda handbook, annual report and other relevant materials to the virtual shareholders' meeting platform 30 minutes prior to the time when the meeting commences and keep them disclosed until the conclusion of the meeting.
- Article 3 The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for convention of shareholders' meetings. The meeting may begin no earlier than 9 am and no later than 3 pm.
- The restrictions on the meeting place in the preceding paragraph shall not apply when the Company convenes a virtual shareholders' meeting.
- Article 4 The Chairman shall preside over the shareholders' meeting.
- In case the Chairman is on leave or cannot be present for whatever reasons, he/she shall designate one of the directors to act on his/her behalf; in the absence of such designation, the directors shall elect from among themselves an acting chairman.
- Where a shareholders' meeting is convened by another authorized convener other than the Board of Directors, such meeting shall be chaired by that convener. In the event that there are two or more

conveners, one shall be elected from among themselves to chair the meeting.

Article 5 All the shareholders of the Company shall attend the shareholders' meeting personally. Any shareholder who cannot attend the shareholders' meeting in person shall use the letter of attorney issued by the Company and specify the scope of authorization for appointing a proxy to attend the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person acts as the proxy for two or more shareholders, the number of voting powers represented by him/her shall not exceed 3% of the total number of the issued voting shares. Otherwise, the portion of excessive voting power shall not be counted. One shareholder shall only issue one letter of attorney and appoint one proxy. The letter of attorney shall be delivered to the Company no later than five days prior to the shareholders' meeting date. In case any letter of attorney is delivered repeatedly, the first one delivered to the Company shall prevail. However, this is not applicable if the previous authorization has been declared for revocation.

Article 6 Shareholders or proxies shall carry out the sign-in procedure to attend a shareholders' meeting. The procedure is conducted via the sign-in card. The number of shares represented by the shareholders attending the meeting shall be based on the sign-in cards handed in and the shares checked in on the virtual meeting platform plus the votes representing the shares cast in writing or by electronic means.

Article 7 Presence and voting at the Company's shareholders' meetings shall be calculated based on the number of shares.

Article 8 The chairperson shall immediately declare the meeting open when the scheduled time is due and the attending shareholders represent a majority of the total number of outstanding shares. The chairperson may announce a postponement of the meeting if the shares present at the meeting do not constitute a quorum. No more than two postponements are allowed, and the total postponed time of such postponements shall not exceed one hour.

Where the attending shareholders still represent less than one-third of the total number of outstanding shares after two postponements, the chairperson may declare that the meeting is failed to be convened. In the event of a virtual shareholders' meeting, the Company shall also declare that the meeting is failed to be convened on the virtual shareholders' meeting platform. However, if the attending shareholders represent one-third or more of the total number of outstanding shares, a tentative resolution may be adopted by a majority vote of the attending shareholders, and a notice of such tentative resolution and re-convention of a shareholders' meeting within one month shall be given to each shareholder. In the event of a virtual shareholders'

meeting, shareholders who intend to attend the meeting online shall re-register with the Company.

After the tentative resolution is adopted according to the procedure in the preceding paragraph, if the attending shareholders constitute a majority of the total number of outstanding shares prior to conclusion of the meeting, the chairperson may resubmit the tentative resolution to the shareholders' meeting for resolution pursuant to Article 174 of the Company Act.

Article 9 Each share held by the Company's shareholders is entitled to one voting right except for those whose rights are restricted and those which shall have no voting rights pursuant to Paragraph 2, Article 179 of the Company Act.

Article 10 The Company may appoint the retained attorney(s), certified public accountant(s) or relevant personnel to participate in a shareholders' meeting.

The personnel administering the shareholders' meeting shall wear ID badges or badges.

Article 11 The Company shall make audiovisual recording of the whole proceedings of shareholders' meetings and retain the same for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until conclusion of the lawsuit.

In the event of a virtual shareholders' meeting, the Company shall record and retain shareholders' registration, enrollment, check-in, questions raised, votes cast and results of votes counted by the Company, and make audiovisual recording of the whole proceedings of the virtual meeting and provide it to the party appointed to handle virtual meeting matters in order to have it properly retained during the life of the Company.

Article 12 The agenda of the shareholders' meeting shall be set by the Board of Directors and the meeting shall proceed in the order set in the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provision set forth under the preceding paragraph is applicable, mutatis mutandis, to a shareholders' meeting that is convened by a convener other than the Board of Directors.

The Chairman may not announce the adjournment until a resolution is reached with regard to the agenda (including impromptu motions) arranged in accordance with the preceding two paragraphs. Where the Chairman has announced the adjournment without justifiable reasons, the shareholders present at the meeting and representing a majority of the voting rights may elect a chairman to continue the meeting.

After the meeting is adjourned, shareholders cannot elect another chairman or seek another venue for continuation of the meeting.

- Article 13 Before making a speech, the attending shareholders or proxies must fill out and submit the speech memo stating the purpose of the speech, the shareholder account number or attendance card number, and the account name for the Chairman to determine the order of speakers. The attending shareholders or proxies who have submitted a speech memo but do not speak shall be deemed to have not spoken. In case the contents of the speech delivered are irrelevant with the contents in the speech memo, the former shall prevail. When a shareholder has the floor, all other shareholders shall not interfere unless at the consent of the Chairman or the shareholder who holds the floor. Any unrestrained action shall be discouraged by the Chairman.
- Article 14 In the event of a virtual shareholders' meeting, before the chairperson declares the meeting adjourned, if the virtual meeting platform or participation in the meeting online has been obstructed due to natural disasters, accidents or other force majeure events for more than 30 minutes, the meeting shall be postponed to or resumed on another date within 5 days, and 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 original shareholders' meeting online may not participate in the postponed or resumed meeting. For a meeting to be postponed or resumed pursuant to the first paragraph, the number of shares present and voting rights and rights of election exercised by the shareholders, who have registered to participate in the original shareholders' meeting online and have completed the check-in procedure but do not attend the postponed or resumed meeting, shall be counted in the total number of shares, number of voting rights and number of rights of election represented at the postponed or resumed meeting. During a postponed or resumed meeting held pursuant to the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results or list of elected directors have been announced. When the Company convenes a hybrid shareholders' meeting and the virtual meeting cannot continue as described in first paragraph, if the total number of shares present at the meeting, after deducting those shares represented by the shareholders attending the shareholders' meeting online, still meets the quorum for convening a shareholders' meeting, the shareholders' meeting shall continue without postponing or resuming the same pursuant to the first paragraph. For a meeting to continue as described in the preceding paragraph, the shares represented by the shareholders participating in the shareholders' meeting online shall be counted in the total number of shares

represented by the shareholders present at the meeting; provided, however, that those shareholders shall be deemed waiving voting rights on all proposals in the meeting agenda of that shareholders' meeting.

Article 15 Unless approved by the chairperson, a shareholder or a proxy may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If a shareholder's speech violates the provision in the preceding paragraph or is beyond the scope of the subject, the chairperson may prevent the shareholder from speaking.

In the event of a virtual shareholders' meeting, shareholders participating in the meeting online may raise questions in writing on the virtual shareholders' meeting platform from the time the chairperson declares the meeting open until the time the chairperson declares the meeting adjourned. No more than two questions are allowed on the same proposal. Each question is limited to no more than 200 words. Paragraphs 1 and 2, Article 13 and Paragraph 2, Article 16 shall not apply.

Article 16 Where a shareholder is a government or an entity, its representative is not limited to one person. Where an entity is appointed as a proxy to attend a shareholders' meeting, it may appoint only one representative to the meeting.

Where a corporate shareholder appoints two or more representatives to a shareholders' meeting, only one representative may speak on the same proposal.

Article 17 After a shareholder present at the meeting completes the speech, the Chairman may respond either in person or through a relevant person designated.

Article 18 The Chairman may announce to stop of discussion on an issue and put it to voting when finding the issue is ready for balloting.

Article 19 The ballot monitoring and counting staff for a voting or election process shall be appointed by the Chairman. A monitor shall be appointed only out of shareholders.

The voting result shall be made known on-site immediately and recorded in writing.

Article 20 When a meeting is in progress, the chairperson may consider the time and announce a break. If a force majeure event occurs, the chairperson may decide that the meeting is temporarily suspended and announce another time to resume the meeting depending on the circumstances. Before the scheduled agenda (including extempore motions) is concluded, if the meeting venue is no longer available for continued use, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.



A resolution may be adopted at a shareholders' meeting to postpone or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 21 Except as otherwise specified in the Company Act and the Company's Articles of Incorporation, the decision of an issue shall be resolved by a majority vote in the meeting that is attended by shareholders who represent a majority of the total issued shares.

Article 22 Where a proposal has an amendment or an alternative, the chairperson shall decide the order of voting along with the original proposal.

In the event that one of the proposal together with its amendment/alternative is adopted, the others are deemed to be rejected without further voting.

When the Company convenes a virtual shareholders' meeting, shareholders participating in the meeting online shall cast votes on proposals and elections on the virtual meeting platform after the chairperson declares the meeting open and complete the same before the chairperson declares that the voting session ends. Shareholders who cast votes beyond the time limit shall be deemed waiving voting rights. In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson declares that the voting session ends, and results of votes and elections shall be announced and disclosed on the virtual shareholders' meeting platform.

Article 23 The Chairman may instruct the marshals or security guards to maintain the order of the meeting. The marshals or security guards at the meeting venue assisting with maintenance of order shall wear armbands marked "Marshal."

Article 24 The matters that are not specified in the Rules shall be subject to the Company Act, the Articles of Incorporation of the Company.

Article 25 These Rules shall come into enforcement upon adoption at the shareholders' meeting.

## Appendix 2

### **CyberTAN Technology Inc.** **Articles of Incorporation**

#### Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and titled 建漢科技股份有限公司 or CyberTAN Technology Inc. in English.

Article 2: CyberTAN's business services are as follows:

1. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
2. CC01080 Electronics Components Manufacturing.
3. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing (radio transceiver only).
4. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import (radio transceiver only).
5. CC01110 Computer and Peripheral Equipment Manufacturing.
6. CC01120 Data Storage Media Manufacturing and Duplicating.
7. CC01070 Telecommunication Equipment and Apparatus Manufacturing.
8. F401010 International Trade.
9. I301010 Software Design Services.

Research, development, production, manufacturing and sale of the following products:

- (1) Broadband Internet router/gateway
- (2) Virtual private network
- (3) Firewall
- (4) Layer 3/Layer 4 switch
- (5) Wired high-end broadband network security router
- (6) Wireless high-end broadband network security router
- (7) Network service matching platform

Article 2-1: External investment of the Company is not subject to Article 13 of the Company Act.

Article 3: CyberTAN has its headquarters located in the Hsinchu Science Park and, if necessary, branches can be established domestically or overseas subject to the approval of the competent authority and resolution at the Board of Directors meeting.

Article 4: CyberTAN may make external endorsement and guarantees for business needs.

#### Chapter 2 Shares

Article 5: The total capital of CyberTAN shall be NT\$5 billion, divided into 500 million shares at NT\$10 per share. The Board of Directors shall be

authorized to issue unissued shares in tranches. An amount of NT\$140 million shall be reserved from the total capital under the preceding paragraph for the issuance of employees' stock warrants in a total of 14 million shares, which may be issued in tranches subject to a resolution of the Board of Directors. Where CyberTAN may repurchase its shares in accordance with the law, the Board of Directors may be authorized to issue the shares in tranches.

CyberTAN may, subject to approval by at least two-thirds of the voting rights of the shareholders attending a shareholders' meeting with the attendance of shareholders representing a majority of the total outstanding shares, assign treasury stocks to employees at a price lower than the actual average price of the repurchased shares or issue employees' stock warrants at a subscription price lower than the closing price on the date of their issuance.

Article 5-1: The recipients of repurchased shares assigned by CyberTAN to employees, the recipients of employees' stock warrants issued, the subscribers of new shares issued from capital increase and reserved for subscription by employees, and the recipients of restricted stock awards issued to employees may include the employees of any controlled or subordinate company who have met certain requirements. The Board of Directors shall be authorized to determine such requirements and the method of assignment or issuance.

Article 6: CyberTAN's stock affairs are processed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and other relevant laws and regulations.

Article 7: The stocks of the Company are registered. They shall be signed by or affixed with the stamps of the directors as the representatives of the Company. The stocks may be issued only after being authenticated in accordance with relevant laws. Shares of the Company may be issued without printing physical stock certificates. In this case, the Company shall register with a centralized securities depository enterprise.

Article 8: Any share transfer shall be suspended within 60 days prior to a regular shareholders' meeting, or within 30 days prior to a special shareholders' meeting, or within 5 days prior to the dividend or bonus announcement day or the day on which other benefits are released.

### Chapter 3 Shareholders' Meeting

Article 9: Shareholders' meetings may convene in regular sessions or special sessions. Regular sessions are usually convened once a year within six months after the end of each fiscal year. Special sessions may be convened whenever necessary.

CyberTAN may convene a shareholders' meeting via video conference or in any other method published by the central competent authority. Where the competent securities authority has otherwise

provided for the required criteria, procedures and other requirements for convening a shareholders' meeting via video conference, such provisions shall prevail.

Article 10: Where any shareholder cannot attend the shareholders' meeting in person, such shareholder may use the letter of attorney issued by the Company and indicate the scope of authorization for appointment of a proxy to attend the meeting. In addition to Article 177 of the Company Act, shareholders using proxies for attendance at a shareholders' meeting shall follow the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 11: Shareholders are entitled to one voting right for per share except those who are under restriction or do not have voting rights as specified in the Company Act.

Article 11-1: Shareholders' meetings are convened by the Board of Directors, and the Chairman shall preside over the meeting. Where the Chairman is absent, Article 208 of the Company Act shall apply. Where a shareholders' meeting is convened by another authorized convener other than the Board of Directors, the meeting shall be chaired by that convener. In the event that there are two or more authorized conveners, one shall be elected from among themselves to chair the meeting.

Article 12: Resolutions at a shareholders' meeting shall, unless otherwise specified in the Company Act, be adopted by a majority vote of the shareholders present at the meeting and representing more than one-half of the total number of voting shares.

Article 12-1: All the resolutions of the shareholders' meeting shall be recorded in the minutes, signed by or affixed with the stamp of the Chairman. The minutes shall be released to all the shareholders within 20 days after the meeting. The preparation and distribution of the minutes may be carried out electronically. The minutes may be uploaded to the MOPS in lieu of the distribution referred to in the preceding paragraph. The matters to be recorded in the minutes and their retention period shall be subject to Article 183 of the Company Act.

#### Chapter 4 Board of Directors and Audit Committee

Article 13: CyberTAN shall have 5 to 9 directors and at least 3 of them independent directors who shall constitute at least one-fifth of the total seats of directors. The nomination of candidates system shall be used for the election of directors, and the directors shall be appointed at the shareholders' meeting from the list of the candidates. The directors shall have a service term of three years and may renew their term of office through reelection.

CyberTAN has established the Audit Committee comprised of all independent directors.

The total number of inscribed stocks held aggregately by all the directors is subject to the regulations of the authority in charge of securities exchange.

CyberTAN shall take out liability insurance for the directors against their legal compensation responsibility within the scope of their duties.

Article 13-1: In case election of new directors cannot be effected in time after expiration of the term of office of existing directors, this term of office may be extended until the new directors elected have assumed their office as directors. However, the competent authority may order, ex officio, the company to conduct the re-election of supervisors within a given time limit. If election of new supervisors is still not effected, the existing supervisors shall be discharged, ipso facto, upon expiry of the time limit specified by the competent authority.

Article 13-2: Where the number of vacancies in the Board of Directors reaches one third of the director positions, the Board of Directors shall, within 60 days, hold a special shareholders' meeting to elect succeeding directors to fill the vacancies.

Article 14: The Board of Directors is comprised of directors. It shall elect a chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman depending on the business needs. The Chairman shall represent the company externally. The Board of Directors may set up audit, nomination, remuneration or other functional committees.

Article 15: In the absence of the Chairman or the Chairman is unable to perform its duties for whatever reasons, Article 208 of the Company shall apply to the appointment of the proxy for the Chairman.

Article 15-1: Discussion of issues at the Board of Directors meeting must be documented in the minutes signed by or affixed with the stamp of the Chairman. They shall be distributed to the board directors within 20 days after the meeting. The essentials and results of the meeting should be recorded in the minutes. The minutes, attendance register and proxies should be retained in the Company.

Article 15-2: The director who is not in the position to attend a Board of Directors meeting may issue a letter of attorney and appoint another director to attend the meeting. Each director may only accept the appointment of one director.

Article 15-3: The Board of Directors meeting shall be convened with reasons, and a meeting notice shall be sent to each director seven days in advance. However, a Board of Directors meeting may be held at any time in case of emergency. The meeting notice may be sent by email or fax.

Article 16: The Board of Directors is authorized to decide the level of remuneration to directors based on their individual involvement in and contribution to the operation of the Company and with reference to the peer level.

#### Chapter 5 Managerial Officer

Article 17: CyberTAN may appoint one or a number of persons to the positions of Chief Executive Officer and President, respectively. Their appointment, discharge and remuneration shall be subject to Article 29 of the Company Act.

#### Chapter 6 Accounting Policy

Article 18: CyberTAN's Board of Directors shall compile the following accounting books at the end of the fiscal year and submit them to the annual shareholders' meeting for ratification.

1. Business Report.
2. Financial Statements.
3. Proposal for Earnings Distribution or Loss Off-setting.

Article 19: Deleted

Article 20: Where CyberTAN has a profit in a year, it shall allocate 7% to 9% thereof as the remuneration for employees, which shall be distributed in shares or cash subject to a resolution of the Board of Directors. The recipients of such remuneration may include the employees of any controlled or subordinate company who have met certain requirements. The Board of Directors shall be authorized to determine such requirements and the method of distribution. Any proposal for distribution of the remuneration for employees shall be submitted in a report to a shareholders' meeting.

However, earnings must first be used to offset cumulative losses, if any, before being distributed to the employees and directors as their remuneration at the percentage mentioned above.

Article 20-1: If the Company has profit at the year's final accounting, it shall first be used to pay the income tax and make up any cumulative losses in accordance with laws, and 10% of the balance shall be appropriated as legal reserve, unless the existing legal reserve reaches the amount of the Company's paid-in capital. The rest of the balance shall be used for provision/reversal of special reserves pursuant to laws. The residual balance, if any, shall be added to cumulative undistributed earnings. The Board of Directors shall draft a motion for allocation of the residual balance plus the undistributed earnings, and submit the same to the shareholders' meeting to resolve whether shareholder bonus shall be distributed.

CyberTAN authorizes the Board of Directors to make a resolution with respect to payment of all or part of the distributable dividends, bonuses, capital reserves or legal reserves in cash by a majority vote at a meeting attended by over two-thirds of the directors and report such payment to the shareholders' meeting without being subject to the resolution of the shareholders' meeting referred to in the preceding paragraph.

CyberTAN is currently at the growth stage. Its policy for distribution of bonuses to shareholders must be based on the current and future investment environment, funding needs, domestic and international competition, capital budget and other factors, and must take into account shareholders' interests and CyberTAN's long-term financial plan. Bonuses to shareholders shall be allocated from the accumulated distributable earnings and shall be no less than 15% of the distributable earnings of the current year. No distribution is required if the distributable earnings of the current year are less than 3% of the paid-in capital. Cash dividends shall account for no less than 10% of the bonuses to shareholders.

#### Chapter 7 Supplementary Provisions

Article 21: Matters that are not specified in the Articles of Incorporation are subject to the Company Act.

Article 22: The Articles of Incorporation were stipulated on May 13, 1998.

The 1st amendment was on November 18, 1998.

The 2nd amendment was on September 15, 1999.

The 3rd amendment was on June 10, 2000.

The 4th amendment was on December 6, 2000.

The 5th amendment was on February 21, 2001.

The 6th amendment was on May 31, 2001.

The 7th amendment was on May 21, 2002.

The 8th amendment was on May 16, 2003.

The 9th amendment was on May 12, 2004.

The 10th amendment was on June 14, 2005.

The 11th amendment was on January 20, 2006.

The 12th amendment was on June 15, 2006.

The 13th amendment was on June 15, 2007.

The 14th amendment was on June 13, 2008.

The 15th amendment was on June 16, 2009.

The 16th amendment was on June 25, 2010.

The 17th amendment was on June 18, 2012.

The 18th amendment was on June 19, 2013.

The 19th amendment was on June 27, 2014.

The 20th amendment was on June 22, 2015.

The 21st amendment was on June 27, 2016.  
The 22nd amendment was on June 21, 2019.  
The 23rd amendment was on June 24, 2022.

**CyberTAN Technology Inc.**  
**Chairman: Gwong-Yih Lee**



## Appendix 3

### CyberTAN Technology Inc.

#### **Rules Governing the Election of Directors**

July 30, 2021

- Article 1 Unless the Company Act and the Articles of the Incorporation of the Company specify otherwise, the election of directors of CyberTAN Technology Inc., (hereinafter referred to as “the Company”) shall be handled in accordance with these Rules.
- Article 2 For the election of directors of the Company, unless the laws specify otherwise, each share shall 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.  
Independent directors and non-independent directors shall be elected at the same time in accordance with the provision of Article 198 of the Company act, but on separate ballots.
- Article 3 For the elections of directors, the person with the convening right shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The attendance card numbers and 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. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. The registered names of voters may be replaced by the attendance certificate number printed on the ballots.
- Article 4 For the election of directors of the Company, the candidates receiving ballots representing the highest numbers of voting rights will be elected as the independent directors or non-independent directors 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. For any absence of such person, the chair shall draw lots on behalf of the person not in attendance.
- Article 5 Before the election begins, the chair shall appoint several vote monitoring personnel and vote counting personnel respectively to perform all of the relevant tasks, and the vote monitoring personnel shall be equipped with the shareholder status. The ballot boxes (cases) shall be prepared by the person with the convening rights and shall be publicly checked by the vote monitoring personnel before voting commences.
- Article 6 A ballot is invalid under any of the following circumstances:  
(I) The ballot is not prepared by a person with the convening right.  
(II) Ballots not dropped into the ballot box (case).  
(III) A blank ballot is placed in the ballot box (case).  
(IV) Two or more candidates are listed on one single ballot.  
(V) The candidate whose name is entered on the ballot does not conform to the director candidate roster.  
(VI) Other words or marks are entered in addition to the number of voting rights allotted.  
(VII) The writing is unclear and indecipherable.
- Article 7 The voting rights shall be calculated on site immediately after the end of the poll, and the results shall be announced by the chair on site. The voting rights shall be calculated on site immediately after the end of the poll, and the results shall be announced by the chair on site.
- Article 8 The Company shall issue notifications to the persons elected as directors.
- Article 9 Any matters not specified in these Rules shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 10 These Rules shall take effect after the approval of the shareholders’ meeting. Subsequent amendments thereto shall be effected in the same manner.

## Appendix 4

### **CyberTAN Technology Inc.** **Shareholding Information of Directors**

1. As of April 27, 2024, the book closure starting date, total shares issued are 330,235,418 common shares, and the minimum shareholding of all the directors pursuant to Article 26 of Securities and Exchange Act shall be 13,209,416 shares.
2. As more than one half of the Company's directors are independent directors, and the Company has established the Audit Committee, the minimum shareholding requirements for directors and supervisors do not apply.

Date: April 27, 2024

Title	Shareholder Account Title	Number of Shares Held
Chairman	Foxconn Technology Co., Ltd : Gwong-Yih Lee	10,035,348 shares
Director	Foxconn Technology Co., Ltd : Hank Hsieh	10,035,348 shares
Independent Director	Ting Hung-Hsun	0 shares
Independent Director	Judy Y.C. Chang	0 shares
Independent Director	Lin Shih-Mei	0 shares
Independent Director	Lin Ying-Shan	0 shares
Total director shareholdings		10,035,348 shares