



TBI Motion Technology Co., Ltd.

## 2025 Annual Shareholders' Meeting Meeting Agenda

Form of meeting: Physical shareholders' meeting

Date: 10 am on June 26, 2025 (Thursday)

Venue: No. 123, Sanduo Road, Shulin District, New Taipei City  
(Shulin Plant)

## Notice to readers

This document is an English translation of the 2025 Annual Shareholders' Meeting of Meeting Agenda of TBI Motion Technology Co., Ltd. (the "Company"). It is provided solely for reference purposes. The Company makes no representations or warranties, express or implied, regarding the accuracy, completeness, or reliability of this translation and shall not be held liable for any loss or damage arising from its use. In the event of any inconsistency or discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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# **TBI Motion Technology Co., Ltd.**

## **Meeting Procedure of 2025 Annual Shareholders' Meeting**

- I. Commencement of Meeting
- II. Chairman's Speech
- III. Report Items
- IV. Matters for Acknowledgment
- V. Proposed Resolution
- VI. Election Matters
- VII. Other Proposals
- VIII. Extraordinary Motions
- IX. Adjournment

# **TBI Motion Technology Co., Ltd.**

## **Agenda of the 2025 Annual General Meeting**

Time: 10 am on June 26, 2025 (Thursday)

Venue: No. 123, Sanduo Road, Shulin District, New Taipei City (Shulin Plant)

I. Commencement of Meeting (announce the total number of shares represented in the meeting)

II. Chairman's Speech

III. Report Items

- (I) 2024 Business Report.
- (II) 2024 Audit Committee Review Report.
- (III) Report on the issuance of the 1st secured and the 2nd unsecured domestic convertible corporate bonds.

IV. Matters for Acknowledgment

- (I) Acceptance of the 2024 Business Report and Financial Statements.
- (II) Approval of the proposal for covering the 2024 loss.

V. Proposed Resolution

- (I) Proposal to amend the Articles of Incorporation.

VI. Election Matters

- (I) Election of the 6th Board of Directors (including Independent Directors).

VII. Other Proposals

- (I) Proposal to lift non-compete restrictions for newly elected Directors and their representatives.

VIII. Extraordinary Motions

IX. Adjournment

## I. Report Items

### Motion 1

Summary: The 2024 business report is hereby presented for approval.

Details: Please refer to Attachment 1 (pages 9 to 12) for the 2024 business report.

### Motion 2

Summary: The 2024 Audit Committee's review report is hereby presented for approval.

Details: Please refer to Attachment 2 (page 13) for the 2024 Audit Committee's review report.

### Motion 3

Summary: Presentation of the Company's 1st domestic secured convertible bond and 2nd domestic unsecured convertible bond.

Description:

Name of bond	1st domestic secured convertible bond	2nd domestic unsecured convertible bond
Reasons for issuance	Working capital enrichment and repayment of bank borrowings	
Amount issued	Each unit has a face value of One Hundred Thousand New Taiwan Dollars, with a total of 5,000 units issued.	Each unit has a face value of One Hundred Thousand New Taiwan Dollars, with a total of 3,000 units issued.
Duration	3 years, from October 24, 2022 to October 24, 2025	3 years; from December 12, 2022 to December 12, 2025
Status of issue	The 1st domestic secured convertible bond was approved by the Financial Supervisory Commission under Letter Jin-Guan-Zheng-Fa Zhi No. 1110351270 dated August 16, 2022. The securities have been approved by Taipei Exchange under Letter No. Zheng-Gui-Zhai-Zi No. 11100112802 dated October 20, 2022 to trade over-the-counter starting from October 24, 2022.	The 2nd domestic unsecured convertible bond was approved by the Financial Supervisory Commission under Letter Jin-Guan-Zheng-Fa Zhi No. 1110351270 dated August 16, 2022 and Letter Jin-Guan-Zheng-Fa Zhi No. 1110361696 dated November 16, 2022. The securities have been approved by Taipei Exchange under Letter No. Zheng-Gui-Zhai-Zi No. 11100130732 dated December 8, 2022 to trade over-the-counter starting from December 12, 2022.
Conversion status	As of the book-close date (April 24, 2025), 4,056 units have been converted and 944 units of the convertible bond are outstanding..	As of the book-close date (April 24, 2025), 2,690 units have been converted and 310 units of the convertible bond are outstanding..

## II. Matters for Acknowledgment

Motion 1 (Proposed by the board of directors)

Summary: The 2024 business report and financial statements are hereby presented for acknowledgment.

Details: 1. The Company's 2024 financial statements have been audited by CPAs Chih, Ping-Chun and Chiu, Chao-Hsien of PwC Taiwan, and are hereby presented for approval.

2. The above financial statements and business report have been reviewed by the Audit Committee, which found no misstatement and issued a written report on file.

3. Please refer to Attachment 1 (pages 9 to 12) for the 2024 business report, and Attachment 3 (pages 14 to 38) for the Independent Auditors' Audit Report and the above-mentioned financial statements.

4. Please recognize.

Resolution:

Motion 2 (Proposed by the board of directors)

Summary: 2024 loss compensation for recognition.

Details: 1. The Company had an after-tax loss of NT\$486,651,780 in 2024, and it is intended to offset the loss of 2024 with undistributed earnings at the beginning of the period.

2. For the Company's 2024 loss compensation table, please refer to Attachment 4 (page 39).

3. Please recognize.

Resolution:

## III. Proposed Resolution

Motion 1 (Proposed by the board of directors)

Amendment to the "Articles of Incorporation

1. According to the Order of Financial Supervisory Commission of the Republic of China, Jin-Guan-Zheng-Fa-Zi No. 11303854422 dated November 8, 2024, the relevant provisions of the Articles of Incorporation of the Company shall be amended, and the Articles of Incorporation shall be expressly provided that a certain percentage of the annual earnings shall be appropriated as the salary adjustment or remuneration to the entry-level employees.

2. Please refer to Attachment 5 (page 40) for a comparison of amendments made.

3. The motion is ready for discussion.

Resolution:

#### IV. Election Matters

Motion 1 (Proposed by the board of directors)

Summary: Election of sixth-term directors (including independent directors).

Details: 1. The term of office of the Company's current directors will expire on June 26, 2025.

In order to comply with the law, it is proposed to re-elect all directors at the general shareholders' meeting this year.

2. The Company's Articles of Incorporation provides for the establishment of 5~9 seats of directors. Considering the Company's business scale and the practical operation of the Board of Directors, the Company plans to elect 7 seats of the sixth-term Board of Directors (including 3 seats of Independent Directors), and the term of office will start from the general shareholders' meeting of 2025 for a total of 3 years, from June 26, 2025 to June 25, 2028. All the Independent Directors will form an Audit Committee. The original directors are relieved of duty upon completion of the general shareholders' meeting.

3. The directors shall be elected by shareholders from the list of director candidates.

The list of director candidates is as follows:

Identity	Name	Name of legal entity represented	Major experience (education)	Current position	No. of shares held
Director	Li, Ching-Kung	Te Yi Investment Co., Ltd.	Ji-Sui Junior High School	Chairman, TBI Motion Technology Co., Ltd. Chairman, Comtop Technology Co., Ltd. Supervisor, Fu Shan International Investment Co., Ltd.	Director: 5,735,000 Representative: 128,687
Director	Lee, Ching-Sheng	-	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology M.S., Graduate Institute of Mechanical Engineering, Lunghwa University of Science and Technology	President, Comtop Technology Co., Ltd. Chairman, Smartech & Green Co., Ltd.	Director: 2,603,456



Identity	Name	Name of legal entity represented	Major experience (education)	Current position	No. of shares held
Director	Lee, Szu-Ying	Smartech & Green Co., Ltd.	Master of Supply Chain & Logistics Management, University of Strathclyde	TBI Motion Intelligence Co., Ltd. TBI Motion Technology (Suzhou) Co., Ltd. TBI Motion Technology (USA) LLC.	Director: 1,092,107 Representative: 999,910
Director	Yeh, Chun-Yen	-	Master of Finance, Management School, National Taiwan University CPA, Internal Auditor, Licensed Financial Management Consultant for Small and Medium Enterprises, Licensed Patent Agent Independent Director, British Cayman Tai Ho Biotechnology Group	Chief Finance Officer, Annji Pharmaceutical Co., Ltd. Independent Director, British Cayman Tai Ho Biotechnology Group	-
Independent Director	Liu, I-Lin	-	PhD, Department of Industrial Engineering and Management, National Taipei University of Technology Assistant Vice President of Business, Orix Taiwan Corporation Sales manager, HP Financial Services (Singapore) Pte. Ltd. Taiwan Branch	Assistant Professor, Department of Information Management, Shih Hsin University	-

Identity	Name	Name of legal entity represented	Major experience (education)	Current position	No. of shares held
Independent Director	Fang, Chung-Li	-	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology	Chairman, Achieve Image Map Public Relations Consultant Co., Ltd. Supervisor, Hezong Science and Technology Co., Ltd.	-
Independent Director	Chou, Cheng-I	-	PhD, Department of Industrial Engineering and Management, National Taipei University of Technology B.A., Department of Electronic Engineering, National Taipei University of Technology TIPS self-evaluation personnel 5th EMBA Association Director, Department of Industrial Engineering and Management, National Taipei University of Technology Executive Supervisor, 7th EMBA Alumni Association, College of Management, National Taipei University of Science and Technology	President, Chen Shiang Intellectual Property Inc. Chief Executive Officer, Chen Shiang Law Firm	-

4. For the Company's Regulations Governing the Election of Directors, please refer to Appendix 3 (pages 72 to 78).

5. Please proceed to the election.

Election results:

## V. Other Proposals

Motion 1 (Proposed by the board of directors)

Summary: Proposal to lift the non-compete restriction on new directors and their representatives.

Details: 1. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval".

2. In order to utilize the expertise and related experience of the directors, the Company intends to lift the non-compete restriction on new directors and their representatives for actual business needs, but without damaging the Company's interests.

Name	Name of company with concurrent position and job title
Li, Ching-Kung	Chairman, Comtop Technology Co., Ltd. Supervisor, Fu Shan International Investment Co., Ltd.
Lee, Ching-Sheng	Chairman, Smartech & Green Co., Ltd.
Yeh, Chun-Yen	Chief Finance Officer, Annji Pharmaceutical Co., Ltd. Independent Director, British Cayman Tai Ho Biotechnology Group
Liu, I-Lin	Assistant Professor, Department of Information Management, Shih Hsin University
Fang, Chung-Li	Chairman, Achieve Image Map Public Relations Consultant Co., Ltd. Supervisor, Hezong Science and Technology Co., Ltd.
Chou, Cheng-I	President, Chen Shiang Intellectual Property Inc. Chief Executive Officer, Chen Shiang Law Firm

3. The motion is ready for discussion.

Resolution:

## VI. Extraordinary Motions

## VII. Adjournment

# Attachments

## [Attachment 1] Business Report

TBI Motion Technology Co., Ltd.

### 2024 Business Report

The Company has been engaging in the manufacturing of ball screws and linear guides for more than 30 years, and has been innovating in developing new products and technologies. Under the leadership of the management team, apart from the plant which refines the technologies of precision rolled ball screws, the Company also develops the production lines for comprehensive sizes of products with an innovating spirit. In addition to the precision ball screws and linear guides, the Company has ball splines, linear motion platforms, rolled ball screw/spline and other transmission component products.

#### I. 2024 Business Report

The Company's 2024 net operating revenue was NT\$2,294,281 thousand, a decline of 10.77% from NT\$2,571,194 thousand in 2023; the 2024 net loss after tax was NT\$486,652 thousand, or a loss of NT\$4.97 per share after tax. The 2024 business condition is as follows:

##### (一) Implementation result of the business plan

Unit: NT\$ thousand; earnings per share: NT\$

Item \ Year	2024	2023	Variation	
			Amount	Percentage %
Net operating revenue	2,294,281	2,571,194	(276,913)	(10.77)
Operating costs	2,419,392	2,153,100	266,292	12.37
Operating gross profit (loss)	(125,111)	418,094	(543,205)	(129.92)
Operating expenses	511,603	488,986	22,617	4.63
Net operating income (loss)	(636,714)	(70,892)	(565,822)	(798.15)
Net non-operating income (expenditure)	72,882	(76,903)	149,785	194.77
Profit (loss) before tax	(563,832)	(147,795)	(416,037)	(281.50)
Income tax benefit (expense)	77,180	44,183	32,997	74.68
Profit (loss) after tax	(486,652)	(103,612)	(383,040)	(369.69)
Earnings (deficits) per share after tax	(4.97)	(1.09)	(3.88)	(355.96)

## (二) Budget implementation

Unit: NT\$ thousand

Item	2024 Actual	2024 Budget	Achievement rate %
Net operating revenue	2,294,281	3,025,532	75.83
Operating costs	2,419,392	2,342,956	103.26
Operating gross profit (loss)	(125,111)	682,576	(118.33)
Operating expenses	511,603	516,358	99.08
Net operating income (loss)	(636,714)	166,218	(483.06)
Net non-operating income (expenditure)	72,882	189,709	38.42
Profit (loss) before tax	(563,832)	355,927	(258.41)

Details: The revenue achievement rate was 75.83%, mainly due to the impact of high inflation and high interest rates, and China's weak economy in 2024, plus the supply chain turmoil caused by the aftermath of the pandemic, the Russo-Ukrainian war and the Israel-Palestine conflict, and the decline in demand in the international market, which affected our revenue, resulting in a loss before tax in 2024.

## (III) Financial balance and profitability analysis

Year		2024	2023
Item			
Financial structure	Debt ratio (%)	53.83%	58.00%
	Long-term funds to fixed assets (%)	210.15%	230.21%
Profitability	Return on assets (%)	(5.80%)	(0.59%)
	Return on equity (%)	(14.88%)	(3.08%)
	To paid-in capital (%)	(58.34%)	(7.45%)
		(51.66%)	(15.53%)
	Net profit margin (%)	(21.21%)	(4.03%)
	Earnings per share (NT\$)	(4.97)	(1.09)

#### (IV) Research and development status

Due to the change in the demand for the environmental protection and energy saving and technologies, the applications of high-speed, energy saving, and eco-friendly linear motion products are increasing and the technology level required is higher than the existing old production technologies. On the technology level, the Company is the top company in Taiwan in terms of rolled screws, and the technologies for ground screws and linear guides are also among the top companies. The R&D staff has rich practical experience with solid fundamental knowledge and high stability without technology gap. Therefore, in addition to enhancing our own technologies and innovation, we endeavor to research and develop new products and technologies and apply for patents in many countries for our developed technologies and products. In response to the ever-changing environment, we will continue to invest in new product development and process improvement in the future.

## **II. Summary of 2025 business plan**

The import tariffs for key components of tools and machinery in China were raised due to the instability across the Taiwan Strait and the announcement of China to terminate the Economic Cooperation Framework Agreement (ECFA) in 2025, which further increase the difference in manufacturing costs and reduce the Group's competitiveness in the China market. Therefore, the Company will actively expand the market in China, and gradually implement the localization of production lines and R&D capabilities, in order to meet the expectations of customers for localized suppliers. In addition, the Company will actively expand the markets in Europe, Americas, Japan and ASEA, in order to improve the overall profitability of the Company.

## **III. Development strategies for the future**

The Company will continue to be guided by meeting market demand. Based on the business philosophy of diversified production base layout, creating cost advantages, and improving overall quality, we will combine flexible organizational structure, core technology, and innovative thinking to create differentiation advantages over competitors, further strengthen the Company's core values, and enhance the overall business resilience and market competitiveness of the Group.

#### **IV. Impact of external competition, the legal environment and the overall business environment**

Currently, China is facing the continuous impact of U.S. tariffs, and with the overcapacity and deflation, the overall economic growth has slowed down, which caused a severe price war in the market, further increasing the business risks and weakening the market competitiveness. However, the Company will actively develop new niche products and develop new markets. In addition to continuously deepening the cooperation with existing customers, the Company will focus on the mid-to-high-end market when establishing subsidiaries, in order to achieve the established operating goals, and give back to shareholders with our excellent operating performance and profit.

Chairman: Li, Ching-Kung

President: Lee, Ching-Sheng

Accounting Supervisor:  
Shen, Hsin-Kai

[Attachment 2] 2024 Audit Committee's Review Report

**TBI Motion Technology Co., Ltd.**

**Audit Committee's Review Report**

The Board of Directors prepared the Company's 2024 business report, financial report (including consolidated financial statements) and loss compensation proposal. The financial statements (including consolidated financial statements) have been audited by PwC Taiwan, which issued an audit report. Based on the reviews that we have conducted in accordance with the laws, the Audit Committee found no misstatements in the above business report, financial statements (including consolidated financial statements) or loss compensation proposal, and hereby issues a report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2025 General Shareholders' Meeting of TBI Motion Technology Co., Ltd.

Audit Committee of TBI Motion  
Technology Co., Ltd.

Audit Committee convener: Liu, I-Lin

March 11, 2025





Independent Auditors' Audit Report

(114) Cai-Shen-Bao-Zi No. 24005243

To: TBI Motion Technology Co., Ltd.

## Audit Opinions

We have audited the Parent Company Only Balance Sheet of TBI Motion Technology Co., Ltd. on December 31, 2024 and 2023, and the Parent Company Only Statement of Comprehensive Income, Parent Company Only Statement of Changes in Equity, and Parent Company Only Cash Flow Statement from January 1 to December 31, 2024 and 2023, and notes to the financial statements (including a summary of significant accounting policies).

In our opinion, the parent company only financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and are fairly stated in terms of the parent company only financial position of TBI Motion Technology Co., Ltd. on December 31, 2024 and 2023, and the parent company only financial performance and cash flows from January 1 to December 31, 2024 and 2023.

## Basis for the audit opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards of the Republic of China. Our responsibility under those standards is further described in the section of "Auditor's responsibilities for the audit of the parent company only financial statements". We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and are independent from TBI Motion Technology Co., Ltd. We have also fulfilled our other responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as the basis for our opinion.

## Key Audit Matters

Key audit matters are those that, in our professional judgment, are of most significance in our audit of the parent company only financial statements of TBI Motion Technology Co., Ltd. for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements of TBI Motion

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan  
110208 臺北市信義區基隆路一段 333 號 27 樓  
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan  
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw

Technology Co., Ltd. for 2024 are as follows:

### **Assessment of impairment of accounts receivable**

#### Explanation

For the accounting policy on accounts receivable, please refer to Note 4(9) of the parent company only financial statements; for the accounting estimates and assumptions for the impairment assessment of accounts receivable, please refer to Note 5(2) of the parent company only financial statements; for the accounting subject of accounts receivable, please refer to Note 6(5) of the parent company only financial statements.

The Company manages the collection and collection of customers, and undertakes the related credit risk. The management regularly evaluates customers' credit quality and collection status, and adjusts the credit policy to customers in a timely manner. In addition, the impairment assessment of accounts receivable adopts a simplified assessment in accordance with the relevant provisions of IFRS 9 "Financial Instruments" for expected credit losses. The management determines the expected loss rate based on a number of factors that may affect a customer's ability to pay, such as the individual customer's past due period, the customer's financial status and economic condition, and forward-looking information at the balance sheet date and in the past. The policy of setting aside for expected credit losses and the recoverability of accounts receivable involve subjective judgments and estimates made by the management. Considering that accounts receivable and their expected credit impairment is of significant impact to the Parent Company Only Financial Statements, hence, we recognize the assessment of the impairment losses of the accounts receivable to be listed as one of the most important matters in this year's audit.

#### Corresponding audit procedures

We have implemented the corresponding procedures for the impairment assessment of accounts receivable as follows:

1. Evaluate and test the effectiveness of the internal controls related to accounts receivable in the sales cycle, including the approval of customer transaction credit limits and the management of overdue accounts receivable.
2. Obtain the aging report, and select samples for testing to confirm the accuracy and completeness of the content.
3. Evaluate whether the assumptions used by the management to calculate the loss allowance are reasonable, and confirm that the calculation can support the amount of the expected credit loss.
4. Compare the aging of accounts receivable in the current year and those in previous years,

and examine the amount of expected credit losses that occurred in the current year and in the previous years to verify the reasonableness of the amount to be set aside.

## **Inventory impairment assessment**

### Explanation

For the accounting policy of inventory, please refer to Note 4(12) of the parent company only financial statements; for the accounting estimates and uncertainties of the valuation of inventories, please refer to Note 5(2) of the parent company only financial statements; for the description of the accounting titles of inventories, please refer to the parent company only financial statements Note 6(6).

The assessment of the net realizable value of TBI Motion Technology Co., Ltd. and subsidiaries' inventories involves the subjective judgments and estimates of the management. Therefore, we believe that the inventory impairment assessment is one of the most important matters in the current year's audit.

### Corresponding audit procedures

We have summarized the corresponding procedures that have been executed for the inventory impairment assessment as follows:

1. Based on our understanding of the operation and industry nature of the TBI Motion Technology Co., Ltd. and subsidiaries, we evaluate the policies and procedures for appropriating the inventory allowance of the Group, including determining the obsolete items of inventory and the accounting estimation method.
2. Review the inventory age and the disposal status of the current year to assess the amount to be provided for inventory devaluation and obsolescence losses.
3. Obtain the data on the net realizable value, select samples to check the selling price and recalculate it.
4. We sample and compare the actual selling price and book value of the inventories to confirm that the book value of the inventories does not exceed the net realizable value.
5. The Company observes the inventory and understands the inventory status in order to assess the loss of obsolete and damaged inventory, inventory devaluation and obsolescence loss.

## **Responsibilities of management and those charged with governance for the parent company only financial statements**

Management is responsible for the preparation and fair representation of the parent company only financial statements in accordance with Regulations Governing the Preparation

of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, the management's responsibilities also include assessing the Company's ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the Company or to cease operations, or the Company has no other viable alternative but to cease operations.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

### **Auditors' Responsibilities for Auditing the Parent Company Only Financial Statement**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the parent company only financial statements. Misstatements can arise from fraud or error. If the amount of misstatement, either individually or in the aggregate, can reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, the misstatement is considered material.

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

1. Identify and assess the risks of material misstatement, whether due to fraud or error, in the parent company only financial statements; design and execute countermeasures in response to the risks assessed; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the TBI Motion Technology Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we are of the opinion that there is significant uncertainty in such an event or situation, we shall in the audit report remind the users of the consolidated financial statements to pay attention to the relevant disclosure in the consolidated financial statements, or modify our audit opinion when such disclosure is inappropriate. Our conclusion is based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the disclosures), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the governance unit, we determined the key audit matters of the Company's parent company only financial statements for 2024. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



PricewaterhouseCoopers Taiwan

Chih, Ping-Chun

Certified Public Accountant

Chiu, Chao-Hsien

Former Securities and Futures Commission, Ministry of Finance

Approval No.: (88) Tai-Cai-Cheng (VI) No. 16120

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen No. 1020049451

March 11, 2025

TBI Motion Technology Co., Ltd.  
Parent company only balance sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Assets			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 515,116	7	\$ 220,866	3
1110	Current financial assets at fair value through profit or loss	6(2)	475	-	-	-
1150	Notes receivable, net	6(5)	712	-	-	-
1170	Accounts receivable, net	6(5)	712	-	15,959	-
1180	Accounts receivable - related parties, net	7	2,135,211	29	2,848,511	36
1200	Other receivables		3,492	-	205	-
1210	Other receivables - related parties	7	105	-	742	-
1220	Current income tax assets	6(28)	17,028	-	-	-
130X	Inventory	6(6)	803,231	11	843,438	11
1410	Prepayments		9,230	-	17,701	-
1460	Non-current assets held for sale, net	6(12) and 8	230,564	3	230,564	3
1470	Other current assets		255	-	189	-
11XX	Total current assets		3,716,131	50	4,178,175	53
Non-current assets						
1517	Non-current financial assets measured at fair value through other comprehensive income	6(3)	88,918	1	94,594	1
1535	Non-current financial assets at amortised cost	6(4) and 8	30,000	-	30,000	-
1550	Investments accounted for using the equity method	6(7)	112,931	2	116,664	2
1600	Property, plant and equipment	6(8), 7 and 8	2,588,199	35	2,728,434	35
1755	Right-of-use assets	6(9)	717,202	10	634,115	8
1780	Intangible assets	6(10)	23,529	-	26,930	-
1840	Deferred income tax assets	6(28)	104,989	2	87,838	1
1900	Other non-current assets	6(11)	14,781	-	17,072	-
15XX	Total non-current assets		3,680,549	50	3,735,647	47
1XXX	Total assets		\$ 7,396,680	100	\$ 7,913,822	100

(continued on next page)

TBI Motion Technology Co., Ltd.  
Parent company only balance sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and equity			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(13) and 7	\$ 450,000	6	\$ 670,000	9
2130	Current contract liabilities	6(21)	691	-	691	-
2150	Notes payable		35,457	-	4,078	-
2170	Accounts payable		179,112	2	139,539	2
2200	Other payables	6(14)	201,366	3	229,989	3
2220	Other payables - related parties	7	164	-	-	-
2230	Current income tax liabilities	6(28)	-	-	34,174	-
2280	Current lease liabilities	6(9)	19,958	-	24,667	-
2320	Long-term liabilities due within one year or one operating cycle	6(15)(16), 7 and 8	553,983	8	236,058	3
2399	Other current liabilities - Other		59,815	1	80	-
21XX	Total current liabilities		1,500,546	20	1,339,276	17
Non-current liabilities						
2530	Bonds payable	6(16)	-	-	737,855	9
2540	Long-term borrowing	6(15), 7 and 8	1,511,782	21	1,746,565	22
2570	Deferred income tax liabilities	6(28)	9,344	-	712	-
2580	Non-current lease liabilities	6(9)	721,039	10	628,510	8
2600	Other non-current liabilities	6(7)	374,388	5	201,467	3
25XX	Total non-current liabilities		2,616,553	36	3,315,109	42
2XXX	Total liabilities		4,117,099	56	4,654,385	59
Equity						
	Share capital	6(18)				
3110	Common stock capital		996,143	14	951,588	12
3140	Capital received in advance		95,239	1	-	-
	Capital surplus	6(19)				
3200	Capital surplus		2,097,475	28	1,724,900	22
	Retained earnings	6(20)				
3310	Legal reserve		177,140	2	177,140	2
3350	Unappropriated retained earnings (accumulated loss)		( 125,767)	( 2)	360,885	5
	Other equity	6(3)				
3400	Other equity		39,351	1	44,924	-
3XXX	Total equity		3,279,581	44	3,259,437	41
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Material events after the reporting period	XI				
3X2X	Total liabilities and equity		\$ 7,396,680	100	\$ 7,913,822	100

The attached notes to the parent company only financial statements are an integral part of the parent company only financial report; please refer to them together.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting Supervisor: Shen, Hsin-Kai



TBI Motion Technology Co., Ltd  
Parent company only statement of comprehensive income  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand  
(Except earnings (losses) per share in NTD )

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6(21) and 7	\$ 1,137,666	100	\$ 2,958,659	100
5000	Operating costs	6(6)(8)(9)(10)(17)(26)(27)	( 1,244,162)	( 110)	( 2,441,570)	( 83)
5900	Gross profit (loss) from operations		( 106,496)	( 10)	( 517,089)	17
5910	Unrealized loss (gain) on sales	6(7) and 7	111,317	10	123,412	( 4)
5950	Gross operating profit, net		4,821	-	393,677	13
	Operating expenses	6(8)(9)(10)(17)(26)(27)	( 33,753)	( 3)	( 41,947)	( 1)
6100	Sales promotion expenses		( 217,580)	( 19)	( 239,921)	( 8)
6200	General and administrative expenses		( 81,085)	( 7)	( 83,811)	( 3)
6300	Research and development expenses		11,479	1	70,852	2
6450	Impairment gain and reversal of impairment loss	12(2)	( 320,939)	( 28)	( 294,827)	( 10)
6000	Total operating expenses		( 316,118)	( 28)	( 98,850)	3
6900	Net operating income (loss)		1,921	-	1,820	-
7100	Interest income	6(4)(22)	44,507	4	28,367	1
7010	Other income	6(3)(23) and 7	89,534	8	( 41,258)	( 2)
7020	Other gains and losses	6(24) and 7	( 69,144)	( 6)	( 70,620)	( 2)
7050	Finance costs	6(9)(13)(15)(25)	( 249,702)	( 22)	( 185,734)	( 6)
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	6(7)	( 182,884)	( 16)	( 267,425)	( 9)
7000	Total non-operating income and expenses		( 499,002)	( 44)	( 168,575)	( 6)
7900	<b>Loss before tax</b>		12,350	1	64,963	2
7950	Tax income	6(28)	( 486,652)	( 43)	( 103,612)	( 4)
8200	<b>Net loss for the period</b>					
	<b>Other comprehensive income, net</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	( \$ 5,676)	-	( \$ 1,711)	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		( 5,676)	-	( 1,711)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation	6(7)	129	-	( 1,125)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	( 26)	-	225	-
8360	Total components of other comprehensive income that will be reclassified to profit or loss		103	-	( 900)	-
8300	<b>Other comprehensive income, net</b>		( \$ 5,573)	-	( \$ 2,611)	-
8500	<b>Total comprehensive profit/loss of the period</b>		( \$ 492,225)	( 43)	( \$ 106,223)	( 4)
	<b>Basic loss per share</b>	6(29)				
9750	Basic loss per share		( \$ 4.97)		( \$ 1.09)	
	<b>Diluted loss per share</b>	6(29)				
9850	Diluted loss per share		( \$ 4.97)		( \$ 1.09)	

The attached notes to the parent company only financial statements are an integral part of the parent company only financial report; please refer to them together.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting Supervisor: Shen, Hsin-Kai

TBI Motion Technology Co., Ltd.  
Parent company only statement of changes in equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	Share capital			Retained earnings		Other equity		Total equity
		Common stock capital	Capital received in advance	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated loss)	Exchange differences on translation	Unrealized gains or losses on financial assets at fair value through other comprehensive income	
<u>2023</u>									
Balance on January 1, 2023		\$ 941,780	\$ -	\$ 1,700,331	\$ 148,739	\$ 634,165	\$ 3,745	\$ 43,790	\$ 3,472,550
Net loss for the period		-	-	-	-	( 103,612 )	-	-	( 103,612 )
Other comprehensive income for the period		-	-	-	-	-	( 900 )	( 1,711 )	( 2,611 )
Total comprehensive profit/loss of the period		-	-	-	-	( 103,612 )	( 900 )	( 1,711 )	( 106,223 )
Earnings distribution and appropriation for 2022	6(20)								
Legal reserve appropriated		-	-	-	28,401	( 28,401 )	-	-	-
Distribution of cash dividends		-	-	-	-	( 141,267 )	-	-	( 141,267 )
Convertible corporate bond conversion	6(16)	9,808	-	24,569	-	-	-	-	34,377
Balance as of December 31, 2023		\$ 951,588	\$ -	\$ 1,724,900	\$ 177,140	\$ 360,885	\$ 2,845	\$ 42,079	\$ 3,259,437
<u>2024</u>									
Balance as of January 1, 2024		\$ 951,588	\$ -	\$ 1,724,900	\$ 177,140	\$ 360,885	\$ 2,845	\$ 42,079	\$ 3,259,437
Net loss for the period		-	-	-	-	( 486,652 )	-	-	( 486,652 )
Other comprehensive income for the period		-	-	-	-	-	103	( 5,676 )	( 5,573 )
Total comprehensive profit/loss of the period		-	-	-	-	( 486,652 )	103	( 5,676 )	( 492,225 )
Convertible corporate bond conversion	6(16)	44,555	95,239	372,575	-	-	-	-	512,369
Balance as of December 31, 2024		\$ 996,143	\$ 95,239	\$ 2,097,475	\$ 177,140	( \$ 125,767 )	\$ 2,948	\$ 36,403	\$ 3,279,581

The attached notes to the parent company only financial statements are an integral part of the parent company only financial report; please refer to them together.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting Supervisor: Shen Hsin-Kai

TBI Motion Technology Co., Ltd  
Parent company only statement of cash flows  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	From January 1 to December 31, 2023
<u>Cash flow from (used in) operating activities</u>			
Loss before tax for the period		( \$ 499,002 )	( \$ 168,575 )
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(26)	233,417	248,273
Amortization expense	6(26)	26,274	25,169
Impairment gain and reversal of impairment loss	6(26) and 12(2)	( 11,479 )	( 70,852 )
Net loss (gain) on financial assets measured at fair value through profit or loss	6(24)	( 475 )	220
Gains from the disposal of property, plant and equipment	6(8)(24)	( 136 )	( 291 )
Interest expense	6(25)	69,144	70,620
Interest income	6(22)	( 1,921 )	( 1,820 )
Dividend income	6(3)(23)	-	( 4,632 )
Share of losses on subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	249,702	185,734
Unrealized gain (loss) on sales		( 111,317 )	123,412
Changes in assets/liabilities related to operating activities			
Changes in operating assets			
Notes receivable		( 712 )	-
Accounts receivable		26,726	68,329
Accounts receivable - related parties		713,300	( 533,833 )
Other receivables		( 3,287 )	12,989
Other receivables - related parties		637	( 368 )
Inventory		40,207	456,603
Prepayments		8,471	( 5,911 )
Other current assets		( 66 )	( 189 )
Changes in operating liabilities			
Contract liabilities		-	( 806 )
Notes payable		31,379	751
Accounts payable		39,573	( 470,583 )
Other payables		( 34,647 )	( 121,411 )
Other payable expenses - related parties		164	( 168 )
Other current liabilities		59,735	( 1,136 )
Other non-current liabilities		5,419	-
Cash inflow (outflow) generated from operations		841,106	( 188,475 )
Interest received		1,921	1,820
Interest paid		( 57,220 )	( 57,016 )
Dividends received		60,001	4,632
Income tax paid		( 47,397 )	( 51,840 )
Net cash inflows (outflows) from operating activities		798,411	( 290,879 )

(continued on next page)

TBI Motion Technology Co., Ltd  
Parent company only statement of cash flows  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	From January 1 to December 31, 2023
<u>Cash flows from (used in) investing activities</u>			
Disposal of financial assets at amortized cost		\$ -	\$ 1,000
Acquisition of property, plant and equipment	6(30)	( 61,046 )	( 174,439 )
Proceeds from the disposal of property, plant and equipment		9,735	576
Acquisition of intangible assets	6(10)	( 21,225 )	( 26,730 )
Decrease in refundable deposits		1,219	3,589
Decrease (increase) in prepayments for business facilities		1,442	( 1,796 )
Net cash outflow from investing activities		( 69,875 )	( 197,800 )
<u>Cash flows from (used in) financing activities</u>			
Increase (decrease) in short-term borrowings	6(31)	( 220,000 )	660,000
Borrowing of long-term loans	6(31)	81,730	108,150
Repayment of long-term borrowings	6(31)	( 235,998 )	( 163,839 )
Distribution of cash dividends	6(20)	-	( 141,267 )
Investments/Subsidiaries accounted for using the equity method	6(7)	( 32,341 )	-
Payments of lease liabilities	6(31)	( 27,677 )	( 22,235 )
Net cash (outflow) inflow from financing activities		( 434,286 )	440,809
Net increase (decrease) in cash and cash equivalents for the period		294,250	( 47,870 )
Opening balance of cash and cash equivalents	6(1)	220,866	268,736
Closing balance of cash and cash equivalents	6(1)	<u>\$ 515,116</u>	<u>\$ 220,866</u>

The attached notes to the parent company only financial statements are an integral part of the parent company only financial report; please refer to them together.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting supervisor: Shen, Hsin-Kai



## Independent Auditors' Report

(114) Cai-Shen-Bao-Zi No. 24005186

To: TBI Motion Technology Co., Ltd.

### **Audit Opinions**

We have audited the consolidated balance sheet of TBI Motion Technology Co., Ltd. and Subsidiaries (TBI Motion Group) as of December 31, 2024 and 2023, and the consolidated comprehensive Income statement, consolidated statement of changes in equity, and consolidated cash flow statement from January 1 to December 31, 2024 and 2023, as well as the notes to the financial statements (including a summary of significant accounting policies).

In our opinion, the financial statements above have been prepared in all major aspects in accordance with the Regulations Governing the Preparation of Financial Reports by the Insurance Industry, as well as the International Financial Reporting Standards, International Accounting Standards, the interpretations and the interpretation announcements recognized and released by the Financial Supervisory Commission, and are sufficient to properly express the financial status of TBI Motion Group on December 31, 2024 and 2023, and the financial performance and cash flow from January 1 to December 31, 2024 and 2023.

### **Basis for the audit opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards of the Republic of China. Our responsibility under these regulations is further explained in the responsibility section of the audited consolidated financial statements. The personnel of the CPA firm which we are affiliated with who are subject to the independence regulation have maintained detached independence from TBI Motion Group in accordance with the Code of Ethics for Accountants, and have fulfilled other responsibilities under the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as the basis for our opinion.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan  
110208 臺北市信義區基隆路一段 333 號 27 樓  
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan  
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, [www.pwc.tw](http://www.pwc.tw)

## **Key Audit Matters**

Key audit items refer to the most important items in the audit of the consolidated financial statements of TBI Motion Group for 2024 based on our professional judgment. These items have been reflected in the process of auditing the consolidated financial statements as a whole and the process of forming the audit opinion. We do not express our opinion on these items separately.

The key audit matters of TBI Motion Group's consolidated financial statements for 2024 are as follows:

### **Assessment of impairment of accounts receivable**

#### Explanation

For the accounting policies of accounts receivable, please refer to Note 4(10) of the consolidated financial statements; the accounting estimates and assumptions of the impairment assessment of accounts receivable are detailed in Note 5(2) of the consolidated financial statements; Please refer to Note 6(5) of the consolidated financial statements.

The Group manages the collection and collection of customers, and undertakes the related credit risk. The management regularly evaluates customers' credit quality and collection status, and adjusts the credit policy to customers in a timely manner. In addition, the impairment assessment of accounts receivable adopts a simplified assessment in accordance with the relevant provisions of IFRS 9 "Financial Instruments" for expected credit losses. The management determines the expected loss rate based on a number of factors that may affect a customer's ability to pay, such as the individual customer's past due period, the customer's financial status and economic condition, and forward-looking information at the balance sheet date and in the past. The policy of setting aside for expected credit losses and the recoverability of accounts receivable involve subjective judgments and estimates made by the management. Considering that accounts receivable and their expected credit impairment is of significant impact to the Consolidated Financial Statements, hence, we recognize the assessment of the impairment losses of the accounts receivable to be listed as one of the most important matters in this year's audit.

#### Corresponding audit procedures

We have implemented the corresponding procedures for the impairment assessment of accounts receivable as follows:

1. Evaluate and test the effectiveness of the internal controls related to accounts receivable in the sales cycle, including the approval of customer transaction credit limits and the management of overdue accounts receivable.
2. Obtain the aging report, and select samples for testing to confirm the accuracy and completeness of the content.
3. Evaluate whether the assumptions used by the management to calculate the loss allowance are reasonable, and confirm that the calculation can support the amount of the expected credit loss.
4. Compare the aging of accounts receivable in the current year and those in previous years, and examine the amount of expected credit losses that occurred in the current year and in the previous years to verify the reasonableness of the amount to be set aside.

### **Inventory impairment assessment**

#### Explanation

For the accounting policy of inventories, please refer to Note 4(13) of the consolidated financial statements; for accounting estimates and the uncertainty assumed in the valuation of inventories, please refer to Note 5(2) of the consolidated financial statements; for the description of the accounting titles of inventories, please refer to the consolidated financial statements Note 6(6).

As of December 31, 2024, the Group's total inventory was NT\$1,696,225 thousand, and the allowance for valuation losses was NT\$375,436 thousand. The assessment of the net realizable value of inventories involves the subjective judgment and estimation of the management. Therefore, we believe that the inventory impairment assessment is listed as one of the most important matters in the current year's audit.

#### Corresponding audit procedures

We have summarized the corresponding procedures that have been executed for the inventory impairment assessment as follows:

1. Based on our understanding of the operation and industry nature of the Group, we

evaluate the policies and procedures for appropriating the inventory allowance of the Group, including determining the obsolete items of inventory and the accounting estimation method.

2. Review the inventory age and the disposal status of the current year to assess the amount to be provided for inventory devaluation and obsolescence losses.
3. Obtain the data on the net realizable value, select samples to check the selling price and re-calculate it.
4. We sample and compare the actual selling price and book value of the inventories to confirm that the book value of the inventories does not exceed the net realizable value.
5. The Company observes the inventory and understands the inventory status in order to assess the loss of obsolete and damaged inventory, inventory devaluation and obsolescence loss.

#### **Other Matters - Parent Company Only Financial Statements**

TBI Motion Technology Co., Ltd. has prepared the parent company only financial statements for 2024 and 2023, and for which we have issued an unqualified opinion.

#### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management's responsibilities also include assessing the Group's ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the Group or to cease operations, or the Company has no other viable alternative but to cease operations.

The governing body of the Group (including the Audit Committee) is responsible for





supervising the financial reporting process.

### **Auditors' Responsibilities for Auditing 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. An individual or aggregate amount that is misrepresented is considered significant if it can be reasonably expected to affect the economic decisions made by the users 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 perform the following tasks:

1. We identified and assessed the risks of material misstatement of the financial statements due to fraud or error, designing and implemented appropriate countermeasures for the assessed risks, and obtained sufficient and appropriate audit evidence as the basis of our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the TBI Motion Technology Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, we made a conclusion on the appropriateness of the accounting basis for continuing operations adopted by the management, and whether there was significant uncertainty in an event or situation that may cause significant doubt about the ability of the Group and its subsidiaries to continue its operations. If we are of the opinion that there is significant uncertainty in such an event or situation, we shall in

the audit report remind the users of the consolidated financial statements to pay attention to the relevant disclosure in the consolidated financial statements, or amend our audit opinion when such disclosure is inappropriate. Our conclusion is based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the disclosures), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

We determined the key audit items for the audit of the consolidated financial statements of the Group for 2024 from the matters communicated with the governance unit. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



PricewaterhouseCoopers Taiwan

Chih, Ping-Chun

Certified Public Accountant

Chiu, Chao-Hsien

Former Securities and Futures Commission, Ministry of Finance

Approval No.: (88) Tai-Cai-Cheng (VI) No. 16120

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen No. 1020049451

March 11, 2025

TBI Motion Technology Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Assets			December 31, 2024		December 31, 2023			
			Amount	%	Amount	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	732,570	11	\$	612,044	8
1110	Current financial assets at fair value	6(2)						
	through profit or loss			475	-		-	-
1150	Notes receivable, net	6(5)		399,639	6		171,031	2
1170	Accounts receivable, net	6(5)		660,141	9		644,091	8
1200	Other receivables			6,470	-		319	-
1220	Current income tax assets	6(28)		18,035	-		-	-
130X	Inventory	6(6)		1,320,789	19		2,381,672	31
1410	Prepayments			13,223	-		46,120	1
1460	Non-current assets held for sale, net	6(12) and 8		230,564	3		230,564	3
1470	Other current assets			316	-		189	-
11XX	Total current assets			3,382,222	48		4,086,030	53
1517	Non-current financial assets	6(3)						
	measured at fair value through other							
	comprehensive income			88,918	1		94,594	1
1535	Non-current financial assets at	6(4) and 8						
	amortised cost			30,000	-		30,000	1
1600	Property, plant and equipment	6(7) and 8		2,634,977	37		2,770,488	36
1755	Right-of-use assets	6(8)		742,802	11		637,948	8
1780	Intangible assets	6(9)		23,943	-		27,813	-
1840	Deferred income tax assets	6(28)		179,676	3		88,831	1
1900	Other non-current assets	6(11)		20,536	-		25,317	-
15XX	Total non-current assets			3,720,852	52		3,674,991	47
1XXX	Total assets		\$	7,103,074	100	\$	7,761,021	100

(continued on next page)

TBI Motion Technology Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and equity			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(13) and 7	\$ 450,000	6	\$ 670,000	9
2130	Current contract liabilities	6(21)	3,118	-	3,681	-
2150	Notes payable		35,457	-	4,078	-
2170	Accounts payable		187,266	3	142,395	2
2200	Other payables	6(14)	239,331	3	247,882	3
2230	Current income tax liabilities	6(28)	-	-	51,496	1
2280	Current lease liabilities	6(8)	36,569	1	27,278	-
2320	Long-term liabilities due within one year or one operating cycle	6(15) and (16), 7 and 8	553,983	8	236,058	3
2399	Other current liabilities - Other		59,953	1	109	-
21XX	Total current liabilities		1,565,677	22	1,382,977	18
Non-current liabilities						
2530	Bonds payable	6(16)	-	-	737,855	10
2540	Long-term borrowing	6(15), 7 and 8	1,511,782	21	1,746,565	22
2570	Deferred income tax liabilities	6(28)	9,344	-	712	-
2580	Non-current lease liabilities	6(8)	730,997	11	628,949	8
2600	Other non-current liabilities		5,693	-	4,526	-
25XX	Total non-current liabilities		2,257,816	32	3,118,607	40
2XXX	Total liabilities		3,823,493	54	4,501,584	58
Equity						
	Share capital	6(18)				
3110	Common stock capital		996,143	14	951,588	12
3140	Capital received in advance		95,239	1	-	-
	Capital surplus	6(19)				
3200	Capital surplus		2,097,475	29	1,724,900	22
	Retained earnings	6(20)				
3310	Legal reserve		177,140	3	177,140	2
3350	Unappropriated retained earnings (accumulated loss)		( 125,767)	( 2)	360,885	5
	Other equity	6(3)				
3400	Other equity		39,351	1	44,924	1
31XX	Total equity attributable to owners of parent		3,279,581	46	3,259,437	42
3XXX	Total equity		3,279,581	46	3,259,437	42
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Material events after the reporting period	XI				
3X2X	Total liabilities and equity		\$ 7,103,074	100	\$ 7,761,021	100

The attached notes to the consolidated financial statements are an integral part of this consolidated financial report.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting Supervisor: Shen, Hsin-Kai

TBI Motion Technology Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6(21)	\$ 2,294,281	100	\$ 2,571,194	100
5000	Operating costs	6(6), (7) and (9) (9) and (17) (26) (27)	( 2,419,392)	( 105)	( 2,153,100)	( 84)
5900	Gross profit (loss) from operations		( 125,111)	( 5)	418,094	16
	Operating expenses	6(7), (8), (9) (17) and (26) (27) and 12 (II)				
6100	Sales promotion expenses		( 103,181)	( 4)	( 97,214)	( 4)
6200	General and administrative expenses		( 303,077)	( 13)	( 310,909)	( 12)
6300	Research and development expenses		( 81,085)	( 4)	( 83,811)	( 3)
6450	Expected credit gains (losses)		( 24,260)	( 1)	2,948	-
6000	Total operating expenses		( 511,603)	( 22)	( 488,986)	( 19)
6900	Operating loss		( 636,714)	( 27)	( 70,892)	( 3)
	Non-operating revenue and expenses					
7100	Interest income	6(4) and (22)	4,365	-	5,872	-
7010	Other income	6(23)	43,581	2	25,026	1
7020	Other gains and losses	6(2) and (10) (24)	94,724	4	( 36,786)	( 1)
7050	Finance costs	6(9) and (13) (15), (16) and (25)	( 69,788)	( 3)	( 71,015)	( 3)
7000	Total non-operating income and expenses		72,882	3	( 76,903)	( 3)
7900	<b>Loss before tax</b>		( 563,832)	( 24)	( 147,795)	( 6)
7950	Tax income	6(28)	77,180	3	44,183	2
8200	<b>Net loss for the period</b>		<u>(\$ 486,652)</u>	<u>( 21)</u>	<u>(\$ 103,612)</u>	<u>( 4)</u>
	<b>Other comprehensive income, net</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$ 5,676)	-	(\$ 1,711)	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		( 5,676)	-	( 1,711)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation		129	-	( 1,125)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	( 26)	-	225	-
8360	Total components of other comprehensive income that will be reclassified to profit or loss		103	-	( 900)	-
8300	<b>Other comprehensive income, net</b>		<u>(\$ 5,573)</u>	<u>-</u>	<u>(\$ 2,611)</u>	<u>-</u>
8500	<b>Total comprehensive profit/loss of the period</b>		<u>(\$ 492,225)</u>	<u>( 21)</u>	<u>(\$ 106,223)</u>	<u>( 4)</u>
	Net profit (loss) attributable to:					
8610	Owner of the parent company		<u>(\$ 486,652)</u>	<u>( 21)</u>	<u>(\$ 103,612)</u>	<u>( 4)</u>
	Total comprehensive income attributable to:					
8710	Owner of the parent company		<u>(\$ 492,225)</u>	<u>( 21)</u>	<u>(\$ 106,223)</u>	<u>( 4)</u>
	Basic loss per share	6(29)				
9750	Basic loss per share		<u>(\$ 4.97)</u>		<u>(\$ 1.09)</u>	
	Diluted loss per share	6(29)				
9850	Diluted loss per share		<u>(\$ 4.97)</u>		<u>(\$ 1.09)</u>	

The attached notes to the consolidated financial statements are an integral part of this consolidated financial report.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting Supervisor: Shen, Hsin-Kai

TBI Motion Technology Co., Ltd. and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

		Equity attributable to owners of parent						
		Share capital		Retained earnings			Other equity	
		Common stock capital	Capital received in advance	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated loss)	Exchange differences on translation	Unrealized gains or losses on financial assets at fair value through other comprehensive income
Note								
								Total equity
<u>2023</u>								
Balance on January 1, 2023		\$ 941,780	\$ -	\$ 1,700,331	\$ 148,739	\$ 634,165	\$ 3,745	\$ 43,790
Net loss for the period		-	-	-	-	( 103,612 )	-	( 103,612 )
Other comprehensive income for the period		-	-	-	-	-	( 900 )	( 1,711 )
Total comprehensive profit/loss of the period		-	-	-	-	( 103,612 )	( 900 )	( 1,711 )
Earnings distribution and appropriation for 2022								
Legal reserve appropriated		-	-	-	28,401	( 28,401 )	-	-
Distribution of cash dividends		-	-	-	-	( 141,267 )	-	( 141,267 )
Convertible corporate bond conversion	6(16), (18) and (19)	9,808	-	24,569	-	-	-	34,377
Balance as of December 31, 2023		\$ 951,588	\$ -	\$ 1,724,900	\$ 177,140	\$ 360,885	\$ 2,845	\$ 42,079
<u>2024</u>								
Balance as of January 1, 2024		\$ 951,588	\$ -	\$ 1,724,900	\$ 177,140	\$ 360,885	\$ 2,845	\$ 42,079
Net loss for the period		-	-	-	-	( 486,652 )	-	( 486,652 )
Other comprehensive income for the period		-	-	-	-	-	103	( 5,676 )
Total comprehensive profit/loss of the period		-	-	-	-	( 486,652 )	103	( 5,676 )
Convertible corporate bond conversion	6(16), (18) and (19)	44,555	95,239	372,575	-	-	-	512,369
Balance as of December 31, 2024		\$ 996,143	\$ 95,239	\$ 2,097,475	\$ 177,140	( \$ 125,767 )	\$ 2,948	\$ 36,403

The attached notes to the consolidated financial statements are an integral part of this consolidated financial report.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting Supervisor:  
Shen Hsin-Kai

TBI Motion Technology Co., Ltd. and Subsidiaries  
Consolidated Cash Flow Statement  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	From January 1 to December 31, 2023
<u>Cash flow from (used in) operating activities</u>			
Loss before tax for the period		( \$ 563,832 )	( \$ 147,795 )
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(26)	259,590	272,320
Amortization expense	6(26)	26,751	25,646
Impairment gain and reversal of impairment loss	6(26)	24,260	( 2,948 )
Net loss (gain) on financial assets measured at fair value through profit or loss	6(24)	( 475 )	220
Interest expense	6(25)	69,788	71,015
Interest income	6(22)	( 4,365 )	( 5,872 )
Dividend income	6(3) and (23)	-	( 4,632 )
Gains from the disposal of property, plant and equipment	6(24)	( 130 )	( 291 )
Impairment loss on non-financial assets	6(7) and (10) (24)	2,787	-
Changes in assets/liabilities related to operating activities			
Changes in operating assets			
Notes receivable		( 228,608 )	( 160,521 )
Accounts receivable		( 42,922 )	227,566
Other receivables		( 6,151 )	( 238 )
Inventory		1,060,883	86,544
Prepayments		32,897	41,336
Other current assets		( 127 )	2,535
Changes in operating liabilities			
Contract liabilities		( 563 )	( 1,771 )
Notes payable		31,379	751
Accounts payable		44,871	( 472,709 )
Other payables		( 14,791 )	( 121,499 )
Other current liabilities		59,844	( 1,667 )
Other non-current liabilities		5,493	-
Cash inflow (outflow) generated from operations		756,579	( 192,010 )
Interest received		4,365	5,872
Interest paid		( 57,864 )	( 57,410 )
Dividends received		-	4,632
Income tax paid		( 74,262 )	( 61,044 )
Net cash inflows (outflows) from operating activities		628,818	( 299,960 )

(continued on next page)



TBI Motion Technology Co., Ltd. and Subsidiaries  
Consolidated Cash Flow Statement  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	From January 1 to December 31, 2023
<u>Cash flows from (used in) investing activities</u>			
Acquisition of financial assets at amortized cost		\$ -	\$ 1,000
Proceeds from the disposal of property, plant and equipment		5,956	576
Acquisition of property, plant and equipment	6(30)	( 78,046 )	( 186,943 )
Acquisition of intangible assets	6(9)	( 21,225 )	( 26,730 )
Decrease (increase) in prepayments for business facilities		4,389	( 606 )
Decrease in refundable deposits		763	3,084
Net cash outflow from investing activities		( 88,163 )	( 209,619 )
<u>Cash flows from (used in) financing activities</u>			
Increase (decrease) in short-term borrowings	6(31)	( 220,000 )	660,000
Borrowing of long-term loans		81,730	108,150
Repayment of long-term borrowings	6(31)	( 235,998 )	( 163,839 )
Payments of lease liabilities	6(31)	( 42,817 )	( 38,439 )
Decrease in guarantee deposits received	6(31)	( 4,326 )	( 217 )
Distribution of cash dividends	6(20)	-	( 141,267 )
Net cash (outflow) inflow from financing activities		( 421,411 )	424,388
Effect of exchange rate changes on cash and cash equivalents		1,282	( 1,558 )
Net increase (decrease) in cash and cash equivalents for the period		120,526	( 86,749 )
Opening balance of cash and cash equivalents	6(1)	612,044	698,793
Closing balance of cash and cash equivalents	6(1)	\$ 732,570	\$ 612,044

The attached notes to the consolidated financial statements are an integral part of this consolidated financial report.

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting supervisor: Shen,  
Hsin-Kai

[Attachment 4] 2024 Earnings Distribution Table

TBI Motion Technology Co., Ltd.

Loss Compensation Table

2024

Unit: NT\$

Undistributed earnings at the beginning of the period	\$	360,884,707
Loss in 2024		(486,651,780 )
Loss to be compensated		(125,767,073 )
2024 loss compensated with legal reserve		125,767,073
Unappropriated retained earnings at the end of the period	\$	-

Chairman: Li, Ching-Kung

Manager: Lee, Ching-Sheng

Accounting supervisor: Shen, Hsin-Kai

[Attachment 5] Comparison of Amendments to the Rules of Procedure for Board of Directors Meetings

**TBI Motion Technology Co., Ltd.**  
**Comparison of Amendments to Rules of Procedure for Board of Directors Meetings**

Article No.	Existing article	Amended article	Explanation of amendments made
Article 18:	<p>If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees, which shall be distributed in shares or cash by resolution of the board meeting. The recipients of the payment may include employees of the controlling or subsidiaries. The remuneration to directors not more than 5% of the amount of the above-mentioned profit shall be set aside by resolution of the board meeting.</p> <p>The proposal of the distribution of employees' remunerations and the directors' and remunerations shall be reported in the shareholders' meeting.</p> <p>However, if the Company has accumulated losses, it shall first reserve a certain amount to compensate losses, then allocate the employees' remuneration and directors' and remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.</p>	<p>If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees, which shall be distributed in shares or cash by resolution of the board of directors. The recipients of the payment may include employees of the controlling or subsidiaries. The remuneration to directors not more than 5% of the amount of the above-mentioned profit shall be set aside by resolution of the board meeting.</p> <p>In the amount of employees' remuneration referred to in the preceding paragraph, no less than 5% shall be appropriated as the remuneration to the entry-level employees.</p> <p>The proposal of distribution of employees' remunerations and directors' remuneration shall be reported in the shareholders' meeting.</p> <p>However, if the Company has a cumulative loss, it shall first reserve a certain amount to compensate losses, then allocate the employees' remuneration and directors' remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.</p>	<p>1. Amendment to the ratio of bonus to entry-level employees.</p> <p>2. The Company has established the Audit Committee, so the remuneration to directors and supervisors is changed to the remuneration to directors.</p>
Article 22:	<p>Establishment and Amendments</p> <p>These Articles of Incorporation were stipulated on June 25, 2010.</p> <p>The 1st amendment was made on September 20, 2010.</p> <p>The 2nd amendment was made on May 25, 2011.</p> <p>The 3rd amendment was made on May 2, 2012.</p> <p>The 4th amendment was made on June 22, 2015.</p> <p>The 5th amendment was made on June 27, 2016.</p> <p>The 6th amendment was made on June 27, 2019.</p>	<p>Establishment and Amendments</p> <p>These Articles of Incorporation were stipulated on June 25, 2010.</p> <p>The 1st amendment was made on September 20, 2010.</p> <p>The 2nd amendment was made on May 25, 2011.</p> <p>The 3rd amendment was made on May 2, 2012.</p> <p>The 4th amendment was made on June 22, 2015.</p> <p>The 5th amendment was made on June 27, 2016.</p> <p>The 6th amendment was made on June 27, 2019.</p> <p>The 7th amendment was made on June 26, 2025.</p>	<p>Expected to be reported at the 2025 general shareholders' meeting</p>

# Appendices

## [Appendix 1] Articles of Incorporation (before amendment)

### Articles of Incorporation of TBI Motion Technology Co., Ltd

#### Chapter 1. General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act, and is named “TBI Motion Technology Co., Ltd.”.

Article 2: The Company operates the following businesses:

- 1.CA02990 Other Metal Products Manufacturing
- 2.CB01010 Mechanical Equipment Manufacturing
- 3.CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
- 4.CC01040 Lighting Equipment Manufacturing
- 5.CD01030 Motor Vehicles and Parts Manufacturing
- 6.CD01040 Motorcycles and Parts Manufacturing
- 7.CH01010 Sporting Goods Manufacturing
- 8.E604010 Machinery Installation
- 9.F106010 Wholesale of Hardware
- 10.F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- 11.F113010 Wholesale of Machinery
- 12.F113030 Wholesale of Precision Instruments
- 13.F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- 14.F401010 International Trade
- 15.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company’s head office is located in New Taipei City, and branch offices or sales offices may be set up inside and outside of the country when necessary upon a resolution of the board meeting.

Article 4: The announce method of the Company is conducted in accordance with Article 28 of the Company Act and other applicable laws and regulations.

#### Chapter 2. Shares

Article 5: The aggregate capital of the Company shall be NT\$3,000,000,000, divided into 300,000,000 ordinary shares at NT\$10 per share. The Board of Directors is authorized to issue such shares in batches.

Article 6: The shares of the Company are in registered form, and are issued after being signed or sealed by 3 or more directors and certified in accordance with the laws.

The Company may be exempted from printing any share certificate for the shares issued. However, it shall register the issued shares with a centralized securities depository enterprise. The same regulations shall apply when issuing other marketable securities.

Article 6-1: The administration of shareholder services of the company shall be conducted in accordance with “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority and other related laws and regulations.

Article 7: The change to shareholder register shall be suspended within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to an extraordinary shareholders' meeting, or within 5 days prior to the ex-date for the distribution of dividends, bonuses or other benefits.

### Chapter 3. Shareholders' Meeting

Article 8: The shareholders' meetings of the Company are divided into general shareholders' meetings and extraordinary shareholders' meetings.

I. General shareholders' meeting: A general shareholders' meeting will be convened within six months following the end of each fiscal year.

II. Extraordinary shareholders' meeting: An extraordinary shareholders' meeting may be convened when necessary in accordance with the laws and regulations or the resolutions of the board meeting.

In the Company's shareholders' meeting, voting rights may be exercised in writing or by electronic means. When voting rights are exercised in writing or by electronic means, the method of exercise shall be specified in the shareholders' meeting notice, and the voting shall be conducted in accordance with the laws and regulations.

The notice to convene an Annual Shareholders' Meeting of the Company, after obtaining a prior consent from the recipient(s) thereof, may be delivered by electronic means.

Article 9: When a shareholder cannot attend the shareholders' meeting in person, the shareholder may appoint a proxy to attend on his/her behalf with a power of attorney in the form prescribed by the Company with the scope of authorization stated. Apart from Article 177 of the Company Act, shareholders attending the shareholders' meeting by proxy shall be governed by the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.”

Article 10: The shareholders of the Company, except under the circumstances in Article 179 of the Company Act, are entitled to one voting right per share.

After the shares of the Company are publicly issued, if a director has created a pledge on shares of the company held by the director in an amount exceeding half of the number of company shares held by the director at the time of the director's election, the voting power of that excess portion of pledged shares shall not be exercised and that excess portion shall not be counted in the number of votes of shareholders present at the meeting.

Article 11: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. During voting, if the Chairman solicits the

attending shareholders and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The preparation, distribution and storage shall be conducted in accordance with Article 183 of the Company Act.

The shareholders' meeting of the Company may adopt exercise of voting rights by electronic means and the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person. The relevant matters shall be conducted in accordance with laws and regulations.

Article 11-1: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission. With regard to a company offering its shares to the public, the distribution of the minutes of shareholders' meeting may be effected by means of a public notice.

Article 11-2: A shareholders' meeting shall be convened by the Board of Directors and be chaired by the Chairman. In case the Chairman is on leave or absent for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting Chairman. For a shareholders' meeting convened by any person having the convening right other than the Board of Directors, he/she shall act as the Chairman of that meeting provided, however, that if there are two or more persons having the convening right, the Chairman of the meeting shall be elected from among themselves.

#### Chapter 4. Directors and Audit Committee

Article 12: The Board of Directors of the Company shall have 5-9 directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity and may be re-elected with the term of service of 3 years.

The Company established the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and Committee consists of all independent directors. The members of the Audit Committee performs the duties of supervisors provided in the Company Act, Securities and Exchange Act and other laws and regulations.

The Company adopts the candidates nomination system for election of the directors of the Company stipulated in Article 192-1 of the Company Act. Shareholders elect the directors from the candidates list by using the cumulative voting method. Apart from the shares without voting rights in accordance with the laws and regulations, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of

one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. The Company may establish independent directors among the number of directors mentioned above. The number of independent directors shall not be less than 2 and shall not be less than one fifth of the total number of directors. The shareholders shall elect the independent directors from the Directors and Independent Directors Candidates List. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be conducted in accordance with the competent authority of securities.

The total registered shares owned by all directors of the Company shall comply with “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” published by the competent authority.

Article 13: The Board of Directors shall elect a Chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall be the Chairman of the shareholders’ meeting and the Board of Directors and shall externally represent the Company.

In case the Chairman is on leave or absent for any cause that he is unable to exercise his duties, the proxy shall serve acting duty in accordance with Article 208 of the Company Act.

Article 14: When convening a meeting of the board of directors, a notice shall set forth therein the subject(s) to be discussed at the meeting. The notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of an emergency, a meeting of the board of directors may be convened at any time. The notice of the Board meetings may be made and delivered in writing, by email or fax.

A meeting of the board of directors may be proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

When a director is unable to attend the Board meeting in person, he/she may delegate another director as a proxy to attend the Board meeting in accordance with Article 205 of the Company Act. A proxy can only represent one director with a duly executed appointment to attend the Board meeting.

Unless otherwise provided for in laws and regulations, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 14-1: The Board meeting shall be recorded in the minutes. The minutes shall be signed or sealed by the Chairman of the meeting and recorder and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The minutes shall be listed as the significant documents of the Company and shall be retained for the duration of the existence of the Company. Matters that shall be recorded in the

minutes shall be conducted in accordance with the Company Act and Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission.

Article 14-2: When the number of the vacancies in the board of directors of the Company equals to one-third of the total number of directors, the board of directors shall call a special meeting of shareholders within 60 days to elect succeeding directors to fill the vacancies. The new directors shall serve the remaining term of the predecessors.

When the number of independent directors of the Company is lower than the requirement due to dismissal (including resignation, dismissal and expiry of term of office), an independent director by-election shall be held at the next shareholders' meeting. When all independent directors have been dismissed, the company shall convene a special shareholders' meeting to hold a by-election within 60 days from the date on which the fact occurred.

The new directors and independent directors shall serve the remaining term of the predecessors.

In case no election of new directors is effected after expiration of the term of office of the existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given period; if no re-election is held after expiry of the period, such directors shall be discharged ipso facto from such expiration date.

Article 14-3: The Board of Directors of the Company establishes the Remuneration Committee or other functional committees based on the demand of business operation.

Article 14-4: The formation, duties, meeting rules, and other compliance matters shall be conducted in accordance with the relevant regulations of the competent authority of securities.

Article 15: The Board of Directors of the Company is authorized to determine the remuneration of directors based on the participation level in the operations of the Company and the value of contribution while taking the general standards of the industry into consideration.

Where the Company has earnings, it may allocate remuneration of directors in accordance with the regulations.

The Company may establish Remuneration Committee in accordance with laws and regulations to determine the remuneration of all directors and submit it to the Board of Directors for resolution.

The Company may determine a reasonable remuneration that are different from the ordinary directors, for independent directors.

The Company may authorize the Board of Directors to purchase liability insurance for directors during their term of office within their business scope.

## Chapter 5. Managers

Article 16: The Company may have managerial officers. The appointment and discharge and the



remuneration of the managerial officers shall be decided in accordance Article 29 of the Company Act.

The Company may establish Remuneration Committee in accordance with laws and regulations after the shares are publicly offered to determine the remuneration of managerial officers on a regular basis and submit it to the Board of Directors for resolution.

## Chapter 6. Accounting

Article 17: The Board of Directors will prepare (1) a business report, (2) financial statements, and (3) proposal of earnings distribution or loss allocation after the end of the fiscal year for submission to the Audit Committee, who will present a report and submit them to the shareholders' meeting for approval in accordance with the statutory procedure.

Article 18: If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees distributed in shares or cash by resolution of the board meeting. The recipients of the payment may include employees of the controlled companies or subsidiaries who meet the conditions set by the board of directors. The remuneration to directors not more than 5% of the above-mentioned profit may be set aside by resolution of the board meeting. The proposal of the distribution of employee remunerations and the director and supervisor remunerations shall be reported in the shareholders' meeting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the employee bonuses and director and supervisor remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

Article 18-1: Where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the previous years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then a special capital reserve shall be set aside or reversed in accordance with relevant laws or regulations or the requirements of the competent authority. The balance plus the undistributed earnings at the beginning of the period are the earnings available for distribution, and a certain portion of it may be reserved as appropriate. The Board of Directors shall make an earnings distribution proposal for approval at the shareholders' meeting.

For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 10% of the total dividends distributed in the current year.

## Chapter 7. Supplementary Provisions

Article 19: The Company shall not be a shareholder of unlimited liability in another company or a partner of a partnership enterprise. Where the Company is a shareholder with limited liabilities, the reinvestment amount is not subject to the limit of no higher than 40% of the paid-in capital set forth in Article 13 of the Company Act.

Article 20: Under the demand of business development, the Company may provide endorsements/guarantees to others in accordance with the Procedures for Making Endorsements/Guarantees of the Company.

Article 21: Matters not prescribed herein shall be conducted in accordance with the Company Act and other laws and regulations.

Article 22: These Articles of Incorporation was stipulated on June 25, 2010.

The 1st amendment was made on September 20, 2010.

The 2nd amendment was made on May 25, 2011.

The 3rd amendment was made on May 2, 2012.

The 4th amendment was made on June 22, 2015.

The 5th amendment was made on June 27, 2016.

The 6th amendment was made on June 27, 2019.

TBI Motion Technology Co., Ltd.

Chairman: Li, Ching-Kung

[Appendix 2] Rules and Procedures of Shareholders' Meeting



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Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2. Unless otherwise regulated by the laws, shareholder meetings of the Company shall proceed according to the rules stated herein.

Announcements relating to the above shall be made using the reporting website designated by the Financial Supervisory Commission (FSC).

Article 3. Unless otherwise provided by the law or regulations, the Company's shareholders' meetings shall be convened by the board of directors.

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

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a Annual Shareholders' Meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the Annual Shareholders' Meeting or 15 days before the date of the special shareholders' meeting. 15 days before the date of the shareholders' meeting, the Company

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shall also have prepared the shareholder's meeting agenda and supplemental meeting materials, and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, as well as being distributed on-site at the meeting venue. This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the video meeting platform.
- III. For video-only shareholders' meetings, electronic files shall be shared on the video meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons

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for convening the shareholders' meeting. None of the above matters may be raised by an Extraordinary Motion.

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

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a Annual Shareholders' Meeting. The number of items so proposed is limited to one only and no proposal containing more than one item will be included in the meeting agenda. Provided that where a shareholder's proposal is a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, it may be included in the meeting agenda. When the circumstances of any sub-paragraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a Annual Shareholders' Meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

A proposal submitted by shareholders must not exceed 300 Chinese characters. Any proposal containing more than 300 Chinese characters will not be included in the agenda. A shareholder who has submitted a proposal must attend the Annual Shareholders' Meeting in person or by proxy and participate in the discussion of his or her proposal.

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The Company shall notify the shareholder submitting the proposal of the status of his or her proposal before the date when the notice of the shareholders' meeting is sent, and include the proposals that have met the requirements in this article in the meeting notice. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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

If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to

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

Article 5. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

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

Article 6. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

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

Shareholders shall attend shareholders' meetings based on attendance cards,



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

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

The Company shall furnish attending shareholders with the Meeting Agenda, annual report, attendance card, speaker's slip, voting ballots and other meeting materials. Where there is an election of directors, election ballots shall also be furnished.

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

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

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

Article 6-1 To convene a video shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

- I. How shareholders attend a video meeting and exercise their rights.
- II. If there is any disruption to the video conferencing platform or

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participation through video conferencing due to natural disasters, incidents, or other force majeure events, the handling should include at least the following:

- (I) When the meeting needs to be postponed or resumed if the abovementioned disruption continues and cannot be removed, and the date to which the meeting needs to be postponed to or resumed.
  - (II) Shareholders not having registered to attend the original shareholders' meeting shall not attend the postponed or resumed meeting.
  - (III) In case of a video-assisted shareholders' meeting, when the video meeting cannot be continued, and the total number of shares represented at the meeting meets the minimum legal requirement for a shareholder meeting after deducting those represented by shareholders attending the video shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the video meeting shall be counted in the total number of shares represented by shareholders present at the meeting, and the shareholders attending the video meeting online shall be deemed abstaining from voting on all proposals on the agenda of the shareholders' meeting.
  - (IV.) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. If a video shareholders' meeting is convened, appropriate alternative measures available to shareholders who have difficulties in attending the video shareholders' meeting shall be specified.

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

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

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

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

The Company may appoint its attorneys, certified public accountants or

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related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

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

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

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

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

In case of a video shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the video meeting platform.

Article 9. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in,

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and the shares checked in on the video meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Chairman shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.

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

In the event of a video shareholders' meeting, the Company shall also declare the meeting adjourned at the video meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a video shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the shareholders' meeting

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pursuant to Article 174 of the Company Act.

Article 10. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including Extraordinary Motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions in the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party who has the power to convene but is not a director of the board.

The Chairman may not declare the meeting adjourned prior to completion of the agenda in the preceding two paragraphs (including extempore motions), unless by a resolution of the shareholders' meeting. If the Chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new meeting chairman in accordance with statutory procedures. A new chairman shall then be elected with the consent of more than half of the voting rights of the attending shareholders to continue the meeting.

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

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

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

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

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

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

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

Where a video shareholders' meeting is convened, shareholders attending the video meeting online may raise questions in writing at the video meeting platform from the Chairman declaring the meeting open until the Chairman declaring the meeting adjourned. No more than two questions for the same

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proposal may be raised. Each question shall contain no more than 200 words.

The regulations in paragraphs 1 to 5 do not apply.

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

Article 12. Voting at a shareholders' meeting shall be calculated based the number of shares.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

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

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

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 13. A shareholder shall be entitled to one vote for each share held, except when



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the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.

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

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means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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

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

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

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

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

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for Extraordinary Motions, they will not exercise voting rights on the original proposals, or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they are elected, and the names of directors not elected and the

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number of votes they receive.

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

Article 15. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

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

Where a video shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the Chairman's and the secretary's name, and actions to be taken in the event of any disruption to the video meeting platform or participation in the meeting online due to natural disasters,

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accidents or other force majeure events, and how the issue is dealt with shall also be included in the minutes.

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

Article 16. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make a comprehensive disclosure of the same at the place of the shareholders' meeting. In the event of a video shareholders' meeting, the Company shall upload the above meeting materials to the video meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's video shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the video meeting platform.

The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

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the prescribed time period.

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

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

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

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

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

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

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

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Article 19 In the event of a video shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the video meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the Chairman has announced the meeting adjourned.

Article 20 When the Company convenes a video shareholders' meeting, both the Chairman and the secretary shall be in the same location, and the Chairman shall announce the address of the location when the meeting is called to order.

Article 21 In the event of a video shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

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

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

During a postponed or resumed session of a shareholders' meeting in accordance with the second paragraph, no further discussions or resolutions are required for proposals with votes already cast and counted and the voting results or list of elected directors already announced.

When the Company convenes a hybrid shareholders' meeting, and the video meeting cannot continue as described in the second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the video shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the



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

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

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

Article 22 When convening a video-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a video shareholders' meeting online.

Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

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Article 24 The meeting rules were established on May 25, 2011.

The 1st amendment was made on June 26, 2013.

The 2nd amendment was made on June 22, 2015.

The 3rd amendment was made on June 27, 2016.

The 4th amendment was made on June 24, 2020.

The 5th amendment was made on July 28, 2021.

The 6th amendment was made on June 27, 2022.

[Appendix 3] Regulations Governing the Election of Directors



Document name	Regulations Governing the Election of Directors	Code	PM-A304-022
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1	1st edition (new)				2011.05.25
2	2nd edition				2015.06.22
3	3rd edition				2016.06.27

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Article 1. In order to ensure a just, fair, and open election of directors, these Regulations are adopted pursuant to Article 21 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Article 2. Unless otherwise regulated by the laws, shareholder meetings of the Company shall proceed according to the rules stated herein.

Article 3. The election of the Company's directors shall take into account the overall composition of the Board of Directors.

I. The Company has specified in the "Corporate Governance Best Practice Principles" and the "Regulations Governing the Election of Directors and Independent Directors" that diversity should be considered in the composition of the Board of Directors. The Company has also formulated a diversity policy with respect to the Company's operation, business model, and development needs, including but not limited to gender, age and educational background.

- (I) Basic conditions and values: Gender, age, nationality, and culture.
- (II) Professional knowledge and skills: professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

II. The members of the Board of Directors shall have the knowledge, skills and literacy required to perform their duties, and shall have the following abilities:

- (I) Business determination ability
- (II) Accounting and financial analysis ability.
- (III) Operation and management

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(IV) Crisis management ability

(V) Industry knowledge

(VI) International market perspective

(VII) Leadership and

(VIII) Decision

Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.

The Board of Directors of the Company shall consider the results of the performance evaluation to adjust the composition of the Board of Directors.

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

The election of the Company's independent directors shall comply with the provisions of Article 5, Article 6, Article 7, Article 8 and Article 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and shall be handled in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 5. The election of the Company's directors shall be conducted in accordance with the candidate nomination system procedures specified in Article 192-1 of the Company Act. In order to review the qualifications, educational and work experience background and whether there are any matters listed in Article 30 of the Company Act, no additional documents showing

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qualifications shall be arbitrarily added, and the results of the review shall be provided to the shareholders for reference, so that an appropriate number of directors can be elected.

If the number of directors falls below five after the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancies. However, if the number of vacant seats exceeds one-third of the number of seats specified in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting to hold a by-election to fill the vacancies within 60 days of the date of occurrence of the fact.

If the number of independent directors falls below the requirements stipulated in the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, the relevant provisions of the Taiwan Stock Exchange's Listing Review Rules, or Subparagraph 8 of Article 10, Paragraph 1 of the Taipei Exchange's "Standards for Determining Unsuitability for OTC Listing under the Review Rules for Trading of Securities at Securities Firms' Business Premises," a by-election must be held at the next shareholders' meeting. If all independent directors are dismissed, an extraordinary shareholders' meeting must be convened within 60 days from the date of occurrence to hold a by-election.

Article 6. Apart from the shares without voting rights in accordance with the laws and regulations, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.

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Article 7. The Board of Directors shall prepare an election ballot for the number of directors to be elected, with the number of votes specified on the ballot, and distribute it to the shareholders present at the shareholders' meeting. The attendance card numbers printed on the ballots may be used instead of recording the names of the voting shareholders.

Article 8. The number of directors shall be as specified in the Articles of Incorporation. The number of voting rights for independent directors and non-independent directors shall be calculated separately. Those receiving the highest numbers of voting rights shall be elected sequentially according to their respective numbers of votes. If two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the scrutineers before voting commences.

Article 10. If the candidate is a shareholder, the voter shall mark down the candidate's account name and shareholder account number in the candidate column on the ballot. If the candidate is not a shareholder, mark down the candidate's name and ID card number. However, if the candidate is a government or institutional shareholder, the name of the government or institutional shareholder should be filled in the field of candidate in the ballot, and the

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name of the representative of the government or institutional shareholder should also be filled in. If there are several representatives, the names of the representatives should be filled in.

Article 11. A ballot is invalid under any of the following circumstances:

- I. The ballot is not prepared by the Board of Directors.
- II. Cast the votes with blank ballots
- III. Other words or marks are entered in addition to the account name (name) or shareholder account number (ID number) and the number of votes allocated to the candidate.
- IV. writing on the ballot is unclear and unidentifiable
- V. If the candidate is a shareholder, the account name and shareholder account number do not conform to the candidate roster; if the candidate is not a shareholder, the name does not conform to the candidate roster.
- VI. The name of the candidate filled in the ballot is the same as that of other shareholders, but the shareholder account number or ID number is not filled in the ballot for identification.

Article 12. The ballot box shall be opened on the spot after the end of the poll. The results of the poll, including the list of directors elected and the number of votes with which they were elected, shall be announced by the chair on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.

If, however, a shareholder files a lawsuit pursuant to Article 189 of the



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Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13. The Board of Directors of the Company will issue a notice to the persons elected as directors.

Article 14. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 15. This policy was established on May 25, 2011.

The 1st amendment was made on June 22, 2015.

The 2nd amendment was made on June 27, 2016.

[Appendix 4] Impact of Proposed Stock Dividends on the Company's Business  
Performance, Earnings Per Share and Return on Shareholders' Equity

Not applicable as no stock dividend was proposed for the current year.

[Appendix 5] Directors' Shareholding

**TBI Motion Technology Co., Ltd.**  
**Directors' Shareholding**

Directors' and supervisors' individual and aggregate shareholding as of the book closure date for the current Annual Shareholders' Meeting (April 28, 2025), as shown in the shareholder registry:

Position	Name	Number of Shares Held
Chairman	Te Yi Investment Co., Ltd.	5,735,000
Director	Smartech & Green Co., Ltd.	1,092,107
Director	Te Chang Investment Co., Ltd.	2,190,000
Director	Yeh, Chun-Yen	—
Independent Director	Liu, I-Lin	—
Independent Director	Fang, Chung-Li	—
Independent Director	Chou, Cheng-I	—
Directors' aggregate shareholding		9,017,107

Note:

- (I) The Company has paid-in capital of NT\$1,121,404,570 in 112,140,457 issued shares.
- (II) According to Article 26 of the Securities and Exchange Act, the entire board of directors is required to maintain a minimum holding position of 8,000,000 shares.
- (III) Shares held by all directors: 9,017,107.  
Directors' aggregate shareholding position has met legal requirements.
- (IV) The Company has assembled an Audit Committee in place of supervisors, therefore supervisors' minimum shareholding requirements do not apply here.