



Stock Code: 3556

eGalax\_eMPIA Technology Inc.

# Handbook for the 2024 Annual General Shareholders' Meeting

(Summary Translation)

This document is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency or ambiguity between the two versions, the Chinese version shall prevail.

**Type** : Physical Shareholders' Meeting

**Time** : 9:00 a.m., Wednesday, May 29, 2024

**Venue** : No.17, Lane91, Section1, Nei Hu Rd. Nei Hu District, Taipei City 114, Taiwan  
R.O.C. (7F, Conference Room, Chu Pao Building)

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**eGalax\_eMPIA Technology Inc.**

**Procedure of 2024 Annual General  
Shareholders' Meeting**

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Proposed Resolutions
5. Discussion and Election  
Items
6. Ad Hoc Motion
7. Adjournment

## **eGalax\_eMPIA Technology Inc.**

### **Agenda of 2024 Annual General Shareholders' Meeting**

**Type** : Physical Shareholders' Meeting

**Time** : 9:00 a.m., Wednesday, May 29, 2024

**Venue** : No.17, Lane91, Section1, Nei Hu Rd. Nei Hu District, Taipei City 114, Taiwan  
R.O.C. (7F, Conference Room, Chu Pao Building)

#### **1. Number of Shares Reported on Attendance and Call the Meeting to Order**

#### **2. Chairman's Address**

#### **3. Report Items**

- (1) 2023 Business Report
- (2) Audit Committee's Review Report on the 2023 Financial Statements
- (3) Distribution of 2023 Employee Bonus and Directors Remuneration
- (4) 2023 Earnings Distribution of Cash Dividends Report

#### **4. Proposed Resolutions**

- (1) To Accept of 2023 Business Report and Financial Statements
- (2) To Approve the Proposal for 2023 Earnings Distribution

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

- (1) To Elect 9<sup>th</sup> Term Directors and Independent Directors
- (2) To Release the Prohibition on Directors from Participation in Competitive Business

#### **6. Ad Hoc Motion**

#### **7. Adjournment**

## **1. Report Items**

### **(1) 2023 Business Report**

Please refer to Attachment 1 (p.6-7) for the 2023 Business Report.

### **(2) Audit Committee's Review Report on the 2023 Financial Statements**

Please refer to Attachment 2 (p.8) for the Audit Committee's Review Report.

### **(3) Distribution of 2023 Employee Bonus and Directors Remuneration**

The Board of Directors meeting on February 27, 2024 for distribution of 2023 employee bonus of NT\$9,051,000 and remuneration for directors of NT\$1,512,000, both distributed via cash.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, for the year ended December 31, 2023.

### **(4) 2023 Earnings Distribution of Cash Dividends Report**

(4.1) The Company had passed the resolution of dividends and remunerations on February 27, 2024, cash dividend distribution totaled NT\$57,332,560 which is NT\$0.9 per share distributed from earnings. Cash dividend distribution were distributed up to one NT dollar, if the distribution is under one NT dollar, it will be accounted as other revenue.

(4.2) Cash dividend distribution record date will be decided by another Board meeting. If there is a change in the number of ordinary shares outside of the Company; or when there is a change in shareholders' dividend rate that requires revision, chairman of the Board will take full authority.

## **2. Proposed Resolutions**

### **I. (Proposed by the Board of Directors)**

#### **To Accept of 2023 Business Report and Financial Statements**

##### **Explanation:**

- (1) The 2023 Financial Statements have been audited by Chi Lung Yu and Ming Fang Hsu of KPMG and were issued an audit report. The aforementioned Financial Statements and the Business Report have been reviewed by the Audit Committee and were issued a review report.

(2) Attachments

1. 2023 Business Report (Attachment 1, p.6-7)
2. Audit Committee's Review Report (Attachment 2, p.8)
3. 2023 Independent Auditors' Report and Financial Statements  
(Attachment 3&4, p.9-24)

**Resolution:**

II. (Proposed by the Board of Directors)

**To Approve the Proposal for 2023 Earnings Distribution**

**Explanation:**

The Company's 2023 Earnings Distribution proposal was approved by the Board of Directors on February 27, 2024. The Audit Committee had audited the proposal and issued an Audit Committee's Review Report. Please refer to Attachment 5 (p.25) for the 2023 Earnings Distribution Table.

**Resolution:**

**3. Discussion and Election Items**

I. (Proposed by the Board of Directors)

**To Elect 9<sup>th</sup> Term Directors and Independent Directors**

**Explanation:**

- (1) The term of the members of the 8<sup>th</sup> Board of Directors will be expire. According to Article 12 &12-1 of the Company's Article of Incorporation. The election of directors (including independent directors) shall adopt a candidate nomination system. To elect the 8 seats of directors (including 4 seats of independent directors) and the shareholders' meeting shall select directors from the list of candidates. Please refer to Attachment 6 (p.26-27) for the education, experience, and other relevant information of the candidates. After this election, the Audit Committee is composed of all independent directors.
- (2) Ms. Ming Fang Liang has served as an independent director of the Company more than three terms. She has rich industrial knowledge and experience and significant benefit to the Company. Therefore, this election intends to continue to nominate her to serve as an independent director of the Company. She can perform the duties of an independent director and elaborate her expertise to supervise the Board and provide professional advice.
- (3) The term of new directors is effective immediately after the election, commencing on May 29, 2024 and expiring on May 28, 2027, for a period of three years.

**Election Result:**

II. (Proposed by the Board of Directors)

**To Release the Prohibition on Directors from Participation in Competitive Business**

**Explanation:**

- (1) According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) To elect of 9<sup>th</sup> term directors (including independent directors) at 2024 shareholders' meeting. Directors who invest or participate in the operations of another company that engages in the same or similar business scope as the Company, hereby request the shareholders' meeting approval to release such directors (including independent directors) from non-competition restrictions in accordance with the Company Act.
- (3) The main content of competitive conducts of newly elected directors (including independent directors) and the juristic person. Please refer to Attachment 7 (p.28).

**Resolution:**

**4. Ad Hoc Motion**

**5. Adjournment**

1. 2023 Business Report

**eGalax\_eMPIA Technology Inc.**

**2023 Business Report**

In 2023, global economic growth was weakened by the effects of inflation and interest rate hikes. In addition, global enterprises faced a number of challenges due to unfavorable factors such as climate change, geopolitical tensions, and the terminal demand was cooled down. eGalax\_eMPIA Technology Inc.(EETI) has been focusing on touch sensor IC and controller board for a long time, actively develop and provide touch system solutions to enhance the competitiveness of our products and services. The following is a summary report to shareholders on the operating results of the past year and the summary of the business plan for the year 2024.

**1. 2023 Business Report**

The consolidated revenue of EETI in 2023 was NT\$1,142.86 million, a decrease of 19.46% compared to that in 2022; the consolidated research and development expenses were NT\$227.67 million, accounting for 19.92% of the consolidated revenue of the same year; the net profit after tax attributable to the parent company was NT\$61.54 million in 2023, and the basic earnings per share after tax was NT\$0.97. This year was the lowest profit since listing on the OTC market, mainly due to the increase in inventory levels and the price decline in inventories as a result of the imbalance in the supply and demand caused by the COVID-19.

EETI did not disclose its financial forecast in 2023, and therefore there is no need to disclose the budget implementation status. Please refer to the financial statements attached hereto for the relevant financial overview.

**2. 2024 business plan summary**

(1) Operating principles:

With the consistent spirit of “swift reliability, professional leadership, continuous growth, client-oriented approach, green environmentalism, and sustainable operations” as the business goal, we will adhere to the quality policy, think from the standpoint of clients, and provide high-quality products and technical services.

(2) Important production and marketing policies:

1) Product development:

Concentrated on projected capacitive touch control technology, actively technology improvement and cost reduction. Always pursue technological leadership and continue to invest in the research and development of new generation products, so as to keep EETI's leadership in industrial touch screen controller market.



2) Business marketing:

To strengthen the service to existing clients so as to maintain long-term cooperative relationship. Actively cultivate professional marketing personnel, enhance international marketing skills, establish domestic and overseas market channels.

**3. Future development strategies of the Company, as well as the impact of the external competitive environment, regulatory environment and overall business environment**

In prospect of the year 2024, EETI will keep on focusing on touch sensor IC and R&D capacity, strengthening on product deployment. In addition, in response to climate change and conform with the release of the "Sustainable Development of Roadmap " by the competent authorities, we emphasize on issues such as environmental protection, social responsibility and corporate governance in order to achieve sustainable development of enterprises.

In the future, we will continue to actively take growth opportunities and give back to all shareholders, employees, and the general public through practical action. We sincerely thank all shareholders for the trust and support to EETI. Finally, we wish all shareholders:

Sound health and good luck with everything.

**Chairman:** Jing Rong Tang **General Manager:** Jing Rong Tang **Chief Accounting Officer:** Paula Hung

## 2. Audit Committee's Review Report

### **eGalax\_eMPIA Technology Inc. Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements and Proposal for Earning Distributions. The Financial Statements have been audited and certified by Chi Lung Yu CPA and Ming Fang Hsu CPA of KPMG and audit reports regarding the Financial Statements have been issued. The Business Report, Financial Statements and Proposal for Earning Distributions have been reviewed and determined to be correct and accurate by the Audit Committee of eGalax\_eMPIA Technology Inc. In accordance to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby, submit this report.

To eGalax\_eMPIA Technology Inc. 2024 Annual General Shareholders' Meeting

Convener of Audit Committee: Jim Wu

February 27, 2024

### 3.2023 Independent Auditors' Report and Parent Company Only Financial Statements

## **Independent Auditors' Report**

To the Board of Directors of eGalax\_eMPIA Technology Inc.:

### **Opinion**

We have audited the financial statements of eGalax\_eMPIA Technology Inc.( "the Company" ), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **1. Revenue recognition**

Please refer to Note 4(l) "Revenue recognition" to the parent company only financial statements for accounting policy related to recognition of revenue.

Description of key audit matter:

Sales revenue is a main indicator that shows whether eGalax\_eMPIA Technology Inc. have achieved their operating, financial objectives and investors' expectations. Therefore, revenue recognition has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Understanding the design and implementation of the Company' s internal controls on revenue recognition and assessing whether the revenue recognition was performed in accordance with the Company' s accounting policy.
- Testing the controls of sales and collection cycle relating to financial reporting.
- Analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant changes or irregular transactions exist.
- Performing sales cut-off of a period before and after the reporting date by vouching relevant documents of sales transactions to determine whether revenue has been recognized in the proper period.

## 2. Inventory valuation

Please refer to note 4(g) "Inventories" to the parent company only financial statements for accounting policy related to valuation of inventories.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, the market changes rapidly, it might result that inventories don' t meet the needs of the market. The carrying value of inventories might have a risk to exceed its net realized value. Therefore, inventory valuation has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Viewing inventory aging reports to analyze inventory aging changes for each period.
- Assessing whether valuation policy for inventory loss or obsolescence and inventory valuation were performed in accordance with the Company' s policy.
- Assessing the adequacy of the Company' s disclosure for inventories.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company' s financial reporting process.

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Hsu, Ming-Fang.

KPMG

Taipei, Taiwan (Republic of China)  
February 27, 2024

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

**EGALAX\_EMPIA TECHNOLOGY INC.**

**Balance Sheets**

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

		<b>December 31, 2023</b>		<b>December 31, 2022</b>				<b>December 31, 2023</b>		<b>December 31, 2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(a)(q))	\$ 313,455	24	355,657	21	2130	Current contract liabilities (Note 6(o))	\$ 3,066	-	2,473	-
1110	Current financial assets at fair value through profit or loss (Note 6(b)(q))	26,923	2	176,443	11	2170	Accounts payable (Note 6(q))	110,447	8	126,639	8
1150	Notes receivable, net (Note 6(d)(o)(q))	1,410	-	2,392	-	2219	Other payables-others (Note 6(q))	76,885	6	155,747	9
1170	Accounts receivable, net (Note 6(d)(o)(q))	106,727	8	90,770	5	2230	Current tax liabilities	19,212	1	12,801	1
1180	Accounts receivable-related parties, net (Note 6(d)(o)(q) and 7)	30,233	2	30,536	2	2251	Current provisions for employee benefits (Note 6(k))	7,562	1	7,131	-
1200	Other receivables (Note 6(e)(q))	466	-	1,150	-	2280	Current lease liabilities (Note 6(j)(q))	8,284	1	9,127	1
130X	Inventories (Note 6(f))	623,247	46	704,476	43	2399	Other current liabilities, others	1,020	-	980	-
1410	Prepayments	3,311	-	11,092	1		<b>Total Current liabilities</b>	226,476	17	314,898	19
1470	Other current assets (Note 8)	1,208	-	1,200	-		<b>Non-Current liabilities:</b>				
	<b>Total current assets</b>	1,106,980	82	1,373,716	83	2570	Deferred tax liabilities (Note 6(l))	-	-	104	-
<b>Non-current assets:</b>						2580	Non-current lease liabilities (Note 6(j)(q))	32,741	3	647	-
1535	Non-current financial assets at amortized cost (Note 6(c)(q))	-	-	100,000	6	2640	Net defined benefit liability, non-current (Note 6(k))	5,405	-	6,084	1
1551	Investments accounted for using equity method (Note 6(g))	125,040	9	130,122	8	2650	Credit balance of investments accounted for using equity method (Note 6(g))	1,162	-	1,194	-
1600	Property, plant and equipment (Note 6(h))	4,283	-	2,536	-		<b>Total non-current liabilities</b>	39,308	3	8,029	1
1755	Right-of-use assets (Note 6(i))	40,830	3	9,638	1		<b>Total liabilities</b>	265,784	20	322,927	20
1840	Deferred tax assets (Note 6(l))	52,036	4	5,303	-		<b>Equity (Note 6(m)):</b>				
1920	Refundable deposits (Note 9)	10,878	1	15,354	1	3110	Ordinary share	637,029	47	637,029	39
1990	Other non-current assets, others	10,813	1	8,917	1		<b>Capital surplus:</b>				
	<b>Total non-current assets</b>	243,880	18	271,870	17	3235	Capital Surplus, changes in ownership interests in subsidiaries	5,214	-	5,214	-
						3270	Capital surplus, net assets from merger	14,114	1	14,114	1
						3280	Capital surplus, others	514	-	514	-
							<b>Retained earnings:</b>	19,842	1	19,842	1
						3310	Legal reserve	362,446	27	329,545	20
						3320	Special reserve	419	-	1,847	-
						3350	Unappropriated retained earnings	65,727	5	334,815	20
							<b>Other equity:</b>	428,592	32	666,207	40
						3410	Exchange differences on translation of foreign financial statements	(387)	-	(419)	-
							<b>Total equity</b>	1,085,076	80	1,322,659	80
							<b>Total liabilities and equity</b>	<b>\$ 1,350,860</b>	<b>100</b>	<b>1,645,586</b>	<b>100</b>
	<b>Total assets</b>	<b>\$ 1,350,860</b>	<b>100</b>	<b>1,645,586</b>	<b>100</b>						

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
EGALAX\_EMPIA TECHNOLOGY INC.

**Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4110	<b>Operating revenue</b>	\$ 1,082,183	100	1,294,552	101
4170	Less: Sales returns	759	-	13,842	1
4190	Sales discounts and allowances	697	-	349	-
	<b>Operating revenue, net (Note 6(o) and 7)</b>	<b>1,080,727</b>	<b>100</b>	<b>1,280,361</b>	<b>100</b>
5110	<b>Operating costs (Note 6(f)(k)(p) and 12)</b>	<b>760,056</b>	<b>70</b>	<b>578,484</b>	<b>45</b>
	<b>Gross profit from operations</b>	<b>320,671</b>	<b>30</b>	<b>701,877</b>	<b>55</b>
	<b>Operating expenses (Note 6(h)(i)(j)(k)(p) and 12):</b>				
6100	Selling expenses	40,053	4	47,612	4
6200	Administrative expenses	37,680	3	50,689	4
6300	Research and development expenses	182,313	17	223,811	17
6450	Expected credit (gain) loss (Note 6(d))	(442)	-	442	-
	<b>Total operating expenses</b>	<b>259,604</b>	<b>24</b>	<b>322,554</b>	<b>25</b>
6900	<b>Net operating income</b>	<b>61,067</b>	<b>6</b>	<b>379,323</b>	<b>30</b>
	<b>Non-operating income and expenses:</b>				
7100	Interest income	5,854	-	3,729	-
7010	Other income	1,907	-	2,255	-
7020	Other gains and losses, net	6,590	-	(4,774)	-
7030	Gains arising from derecognition of financial assets measured at amortized cost	59	-	-	-
7050	Finance costs(Note 6(j))	(504)	-	(122)	-
7070	Share of loss (profit) of subsidiaries accounted for using equity method	(5,082)	-	774	-
	<b>Total non-operating income and expenses</b>	<b>8,824</b>	<b>-</b>	<b>1,862</b>	<b>-</b>
7900	<b>Profit before tax</b>	<b>69,891</b>	<b>6</b>	<b>381,185</b>	<b>30</b>
7950	<b>Less: Income tax expenses (Note 6(l))</b>	<b>8,353</b>	<b>-</b>	<b>55,053</b>	<b>4</b>
	<b>Profit</b>	<b>61,538</b>	<b>6</b>	<b>326,132</b>	<b>26</b>
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains on remeasurements of defined benefit plans (Note 6(k))	250	-	2,880	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Total items that will not be reclassified to profit or loss</b>	<b>250</b>	<b>-</b>	<b>2,880</b>	<b>-</b>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign financial statements (Note 6(m))	32	-	1,428	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<b>Total items that will be reclassified to profit or loss</b>	<b>32</b>	<b>-</b>	<b>1,428</b>	<b>-</b>
8300	<b>Other comprehensive income (net of tax)</b>	<b>282</b>	<b>-</b>	<b>4,308</b>	<b>-</b>
8500	<b>Total comprehensive income</b>	<b>\$ 61,820</b>	<b>6</b>	<b>330,440</b>	<b>26</b>
	<b>Earnings per share (Note 6(n))</b>				
9750	<b>Basic earnings per share (NT Dollar)</b>	<b>\$ 0.97</b>		<b>5.12</b>	
9850	<b>Diluted earnings per share (NT Dollar)</b>	<b>\$ 0.96</b>		<b>5.04</b>	

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
EGALAX\_EMPIA TECHNOLOGY INC.

**Statements of Changes in Equity**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings					Other equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
<b>Balance at January 1, 2022</b>	\$ 612,528	19,842	292,364	1,639	373,957	(1,847)	1,298,483
Profit	-	-	-	-	326,132	-	326,132
Other comprehensive income	-	-	-	-	2,880	1,428	4,308
Total comprehensive income	-	-	-	-	329,012	1,428	330,440
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	37,181	-	(37,181)	-	-
Special reserve	-	-	-	208	(208)	-	-
Cash dividends on ordinary shares	-	-	-	-	(306,264)	-	(306,264)
Stock dividends on ordinary shares	24,501	-	-	-	(24,501)	-	-
Balance at December 31, 2022	637,029	19,842	329,545	1,847	334,815	(419)	1,322,659
Profit	-	-	-	-	61,538	-	61,538
Other comprehensive income	-	-	-	-	250	32	282
Total comprehensive income	-	-	-	-	61,788	32	61,820
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	32,901	-	(32,901)	-	-
Cash dividends on ordinary shares	-	-	-	-	(299,403)	-	(299,403)
Reversal of special reserve	-	-	-	(1,428)	1,428	-	-
<b>Balance at December 31, 2023</b>	<b>\$ 637,029</b>	<b>19,842</b>	<b>362,446</b>	<b>419</b>	<b>65,727</b>	<b>(387)</b>	<b>1,085,076</b>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
EGALAX\_EMPIA TECHNOLOGY INC.

**Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 69,891	381,185
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	17,225	17,611
Amortization expense	12,795	15,610
Expected credit (gain) loss	(442)	442
Net (gain) loss on financial assets at fair value through profit or loss	(3,206)	7,641
Interest expense	504	122
Net gain arising from derecognition of financial assets measured at amortized cost	(59)	-
Interest income	(5,854)	(3,729)
Dividend income	(904)	(421)
Share of loss (profit) of subsidiaries accounted for using equity method	5,082	(774)
<b>Total adjustments to reconcile profit (loss)</b>	<u>25,141</u>	<u>36,502</u>
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through profit or loss	152,726	33,688
Notes receivable	982	(1,149)
Accounts receivable	(15,515)	57,286
Accounts receivable-related parties	303	44,893
Other receivables	(51)	(15)
Inventories	81,229	(316,313)
Prepayments	7,781	(9,158)
Other current assets	(8)	(11)
Current contract liabilities	593	(1,200)
Accounts payable	(16,192)	(12,305)
Other payable-other	(77,816)	(24,141)
Current provisions for employee benefits	431	(420)
Other current liabilities, others	40	67
Net defined benefit liabilities, non-current	(429)	(463)
<b>Total changes in operating assets and liabilities</b>	<u>134,074</u>	<u>(229,241)</u>
<b>Total adjustments</b>	<u>159,215</u>	<u>(192,739)</u>
Cash inflow generated from operations	229,106	188,446
Interest received	6,589	3,147
Dividends received	904	421
Interest paid	(504)	(122)
Income taxes paid	(48,779)	(80,082)
<b>Net cash flows from operating activities</b>	<u>187,316</u>	<u>111,810</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	-	(100,000)
Proceeds from disposal of financial assets at amortized cost	100,059	-
Proceeds from repayments of financial assets at amortized cost	-	50,000
Acquisition of property, plant and equipment	(3,487)	(1,172)
Refundable deposits	4,476	5,411
Other non-current assets	(15,737)	(14,942)
<b>Net cash flows from (used in) investing activities</b>	<u>85,311</u>	<u>(60,703)</u>
<b>Cash flows used in financing activities:</b>		
Payment of lease liabilities	(15,426)	(15,591)
Cash dividends paid	(299,403)	(306,264)
<b>Net cash flows used in financing activities</b>	<u>(314,829)</u>	<u>(321,855)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(42,202)</u>	<u>(270,748)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>355,657</u>	<u>626,405</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 313,455</u></u>	<u><u>355,657</u></u>

See accompanying notes to parent company only financial statements.

## **Independent Auditors' Report**

To the Board of Directors of eGalax\_eMPIA Technology Inc.:

### **Opinion**

We have audited the consolidated financial statements of eGalax\_eMPIA Technology Inc. and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **1. Revenue recognition**

Please refer to Note 4(m) "Revenue recognition" to the consolidated financial statements for accounting policy related to recognition of revenue.

Description of key audit matter:

Sales revenue is a main indicator that shows whether the Group, have achieved their operating, financial objectives and investors' expectations. Therefore, revenue recognition has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Understanding the design and implementation of the Group's internal controls on revenue recognition and assessing whether the revenue recognition was performed in accordance with the Group's accounting policy.
- Testing the controls of sales and collection cycle relating to financial reporting.
- Analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant changes or irregular transactions exist.
- Performing sales cut-off of a period before and after the reporting date by vouching relevant documents of sales transactions to determine whether revenue has been recognized in the proper period.

## 2. Inventory valuation

Please refer to note 4(h) "Inventories" to the consolidated financial statements for accounting policy related to valuation of inventories.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, the market changes rapidly, it might result that inventories don't meet the needs of the market. The carrying value of inventories might have a risk to exceed its net realized value. Therefore, inventory valuation has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Viewing inventory aging reports to analyze inventory aging changes for each period.
- Assessing whether valuation policy for inventory loss or obsolescence and inventory valuation were performed in accordance with the Group's policy.
- Assessing the adequacy of the Group's disclosure for inventories.

## Other Matter

eGalax\_eMPIA Technology Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Hsu, Ming-Fang.

KPMG

Taipei, Taiwan (Republic of China)  
February 27, 2024

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
EGALAX\_EMPIA TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022				
		Amount	%	Amount	%			Amount	%	Amount	%			
Current assets:						Current liabilities:								
1100	Cash and cash equivalents (Note 6(a)(q))	\$	463,414	32	521,000	30	2130	Current contract liabilities (Note 6(o))	\$	4,983	-	7,018	1	
1110	Current financial assets at fair value through profit or loss (Note6(b)(q))		49,199	3	198,440	11	2170	Accounts payable (Note 6(q))		114,263	8	129,662	7	
1150	Notes receivable, net (Note 6(d)(o)(q))		1,410	-	2,392	-	2219	Other payable-other (Note 6(q))		93,638	6	182,449	10	
1170	Accounts receivable, net (Note 6(d)(o)(q))		117,019	8	104,069	6	2230	Current tax liabilities		19,236	1	14,015	1	
1180	Accounts receivable-related parties, net(Note 6(d)(o)(q) and 7)		30,233	2	30,536	2	2251	Current provisions for employee benefits		7,562	1	7,131	1	
1200	Other receivables (Note 6(e)(q))		2,584	-	1,852	-	2280	Current lease liabilities (Note 6(j)(q))		11,874	1	11,991	1	
1220	Current tax assets		954	-	-	-	2399	Other current liabilities, others		3,238	-	3,287	-	
130X	Inventories (Note 6(f))		630,934	44	716,524	41		Total current liabilities		254,794	17	355,553	21	
1410	Prepayments		11,246	1	20,280	1		Non-Current liabilities:						
1470	Other current assets (Note 8)		1,221	-	1,213	-	2570	Deferred tax liabilities (Note 6(l))		-	-	521	-	
	Total current assets		1,308,214	90	1,596,306	91	2580	Non-current lease liabilities (Note 6(j)(q))		34,424	2	3,766	-	
Non-current assets:							2640	Net defined benefit liability, non-current (Note 6(k))		5,405	1	6,084	-	
1535	Non-current financial assets at amortized cost (Note 6(c)(q))		-	-	100,000	5		Total non-current liabilities		39,829	3	10,371	-	
1600	Property, plant and equipment (Note 6(g))		4,549	-	2,982	-		Total liabilities		294,623	20	365,924	21	
1755	Right-or-use assets (Note 6(h))		46,070	3	15,590	1		Equity attributable to owners of parent(Note 6(m)):						
1780	Intangible assets (Note 6(i))		5	-	5	-	3110	Ordinary share		637,029	44	637,029	36	
1840	Deferred tax assets (Note 6(l))		58,352	5	12,287	1		Capital surplus:						
1920	Refundable deposits (Note 9)		12,310	1	15,867	1	3235	Capital Surplus, changes in ownership interests in subsidiaries		5,214	-	5,214	-	
1990	Other non-current assets, others		16,613	1	14,674	1	3270	Capital surplus, net assets from merger		14,114	1	14,114	1	
	Total non-current assets		137,899	10	161,405	9	3280	Capital surplus, others		514	-	514	-	
										19,842	1	19,842	1	
								Retained earnings:						
							3310	Legal reserve		362,446	25	329,545	19	
							3320	Special reserve		419	-	1,847	-	
							3350	Unappropriated retained earnings		65,727	5	334,815	19	
										428,592	30	666,207	38	
								Other equity:						
							3410	Exchange differences on translation of foreign financial statements		(387)	-	(419)	-	
								Total equity attributable to owners of parent		1,085,076	75	1,322,659	75	
							36XX	Non-controlling interests		66,414	5	69,128	4	
								Total equity		1,151,490	80	1,391,787	79	
								Total liabilities and equity		\$	1,446,113	100	1,757,711	100
Total assets														

See accompanying notes to consolidated financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
EGALAX\_EMPIA TECHNOLOGY INC. AND SUBSIDIARIES

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per share)

		2023		2022	
		Amount	%	Amount	%
4110	Operating revenue	\$ 1,144,316	100	1,433,513	101
4170	Less: Sales returns	759	-	14,174	1
4190	Sales discounts and allowances	697	-	349	-
	<b>Operating revenue, net (Note 6(o), 7 and 14)</b>	<b>1,142,860</b>	<b>100</b>	<b>1,418,990</b>	<b>100</b>
5110	<b>Operating costs (Note 6(f)(k)(p) and 12)</b>	<b>780,513</b>	<b>68</b>	<b>653,085</b>	<b>46</b>
	<b>Gross profit from operations</b>	<b>362,347</b>	<b>32</b>	<b>765,905</b>	<b>54</b>
	<b>Operating expenses (Note 6(g)(h)(i)(j)(k)(p) and 12):</b>				
6100	Selling expenses	47,650	4	60,163	4
6200	Administrative expenses	39,793	4	53,810	4
6300	Research and development expenses	227,669	20	282,655	20
6450	Expected credit (gain) loss (Note 6(d))	(442)	-	442	-
	<b>Total operating expenses</b>	<b>314,670</b>	<b>28</b>	<b>397,070</b>	<b>28</b>
	<b>Net operating income</b>	<b>47,677</b>	<b>4</b>	<b>368,835</b>	<b>26</b>
	<b>Non-operating income and expenses:</b>				
7100	Interest income	9,470	1	4,941	-
7010	Other income	3,943	-	3,304	-
7020	Other gains and losses, net	6,880	1	5,072	1
7030	Gains arising from derecognition of financial assets measured at amortized cost	59	-	-	-
7050	Finance costs (Note 6(j))	(548)	-	(154)	-
	<b>Total non-operating income and expenses</b>	<b>19,804</b>	<b>2</b>	<b>13,163</b>	<b>1</b>
7900	<b>Profit before tax</b>	<b>67,481</b>	<b>6</b>	<b>381,998</b>	<b>27</b>
7950	<b>Less: Income tax expenses(Note 6(l))</b>	<b>8,687</b>	<b>1</b>	<b>55,448</b>	<b>4</b>
	<b>Profit</b>	<b>58,794</b>	<b>5</b>	<b>326,550</b>	<b>23</b>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains on remeasurements of defined benefit plans (Note 6(k))	250	-	2,880	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	250	-	2,880	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign financial statements	62	-	2,179	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that will be reclassified to profit or loss	62	-	2,179	-
8300	<b>Other comprehensive income</b>	<b>312</b>	<b>-</b>	<b>5,059</b>	<b>-</b>
8500	<b>Total comprehensive income</b>	<b>\$ 59,106</b>	<b>5</b>	<b>331,609</b>	<b>23</b>
	<b>Profit attributable to:</b>				
8610	Owners of parent	\$ 61,538	5	326,132	23
8620	Non-controlling interests	(2,744)	-	418	-
		<b>\$ 58,794</b>	<b>5</b>	<b>326,550</b>	<b>23</b>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 61,820	5	330,440	23
8720	Non-controlling interests	(2,714)	-	1,169	-
		<b>\$ 59,106</b>	<b>5</b>	<b>331,609</b>	<b>23</b>
	<b>Earnings per share (Note 6(n))</b>				
9750	<b>Basic earnings per share (NT Dollar)</b>	<b>\$ 0.97</b>		<b>5.12</b>	
9850	<b>Diluted earnings per share (NT Dollar)</b>	<b>\$ 0.96</b>		<b>5.04</b>	

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**EGALAX\_EMPIA TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent								
	Retained earnings					Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-control ling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
Balance at January 1, 2022	\$ 612,528	19,842	292,364	1,639	373,957	(1,847)	1,298,483	67,959	1,366,442
Profit	-	-	-	-	326,132	-	326,132	418	326,550
Other comprehensive income	-	-	-	-	2,880	1,428	4,308	751	5,059
Total comprehensive income	-	-	-	-	329,012	1,428	330,440	1,169	331,609
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	37,181	-	(37,181)	-	-	-	-
Special reserve	-	-	-	208	(208)	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(306,264)	-	(306,264)	-	(306,264)
Stock dividends on ordinary share	24,501	-	-	-	(24,501)	-	-	-	-
Balance at December 31, 2022	637,029	19,842	329,545	1,847	334,815	(419)	1,322,659	69,128	1,391,787
Profit	-	-	-	-	61,538	-	61,538	(2,744)	58,794
Other comprehensive income	-	-	-	-	250	32	282	30	312
Total comprehensive income	-	-	-	-	61,788	32	61,820	(2,714)	59,106
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	32,901	-	(32,901)	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(299,403)	-	(299,403)	-	(299,403)
Reversal of special reserve	-	-	-	(1,428)	1,428	-	-	-	-
Balance at December 31, 2023	\$ 637,029	19,842	362,446	419	65,727	(387)	1,085,076	66,414	1,151,490

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
EGALAX\_EMPIA TECHNOLOGY INC. AND SUBSIDIARIES

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 67,481	381,998
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	21,139	22,137
Amortization expense	16,672	16,456
Expected credit (gain) loss	(442)	442
Net (gain) loss on financial assets at fair value through profit or loss	(3,485)	7,508
Interest expense	548	154
Net gain arising from derecognition of financial assets measured at amortized cost	(59)	-
Interest income	(9,470)	(4,941)
Dividend income	(904)	(421)
<b>Total adjustments to reconcile profit (loss)</b>	<b>23,999</b>	<b>41,335</b>
<b>Changes in operating assets and liabilities:</b>		
Financial assets or liabilities at fair value through profit or loss	152,726	33,688
Notes receivable	982	(400)
Accounts receivable	(12,508)	73,980
Accounts receivable-related parties	303	44,893
Other receivables	(981)	(125)
Inventories	85,590	(299,169)
Prepayments	9,034	(8,787)
Other current assets	(8)	(24)
Current contract liabilities	(2,035)	(3,186)
Accounts payable	(15,399)	(27,869)
Other payable-other	(87,765)	(14,867)
Current provisions for employee benefits	431	(420)
Other current liabilities, other	(49)	169
Net defined benefit liability, non-current	(429)	(463)
<b>Total changes in operating assets and liabilities</b>	<b>129,892</b>	<b>(202,580)</b>
<b>Total adjustments</b>	<b>153,891</b>	<b>(161,245)</b>
Cash inflow generated from operations	221,372	220,753
Interest received	9,719	3,951
Dividends received	904	421
Interest paid	(548)	(154)
Income taxes paid	(51,006)	(80,042)
<b>Net cash flows from operating activities</b>	<b>180,441</b>	<b>144,929</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	-	(100,000)
Proceeds from disposal of financial assets at amortized cost	100,059	-
Proceeds from repayments of financial assets at amortized cost	-	50,000
Acquisition of property, plant and equipment	(3,648)	(1,213)
Refundable deposits	3,557	6,257
Other non-current assets	(19,657)	(16,078)
<b>Net cash flows from (used in) investing activities</b>	<b>80,311</b>	<b>(61,034)</b>
<b>Cash flows used in financing activities:</b>		
Payment of lease liabilities	(18,998)	(19,254)
Cash dividends paid	(299,403)	(306,264)
<b>Net cash flows used in financing activities</b>	<b>(318,401)</b>	<b>(325,518)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>63</b>	<b>2,171</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(57,586)</b>	<b>(239,452)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>521,000</b>	<b>760,452</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 463,414</b>	<b>521,000</b>

See accompanying notes to consolidated financial statements. 24

Chairman : Jing Rong Tang

General Manager : Jing Rong Tang

Chief Accounting Officer : Paula Hung

5.2023 Earnings Distribution Table

**eGalax\_eMPIA Technology Inc.**  
**2023 Earnings Distribution Table**

Unit: NT\$

Item	Total Amount
Net Income of 2023	61,537,951
Plus: Remeasurements of defined benefit plans	250,283
2023 Unappropriated retained earnings	61,788,234
Less: Legal Reserve	(6,178,823)
Plus: Special Reserve	31,735
Retained earnings in 2023 available for distribution	55,641,146
Plus: Beginning unappropriated retained earnings	3,938,125
Total unappropriated retained earnings	59,579,271
Less: Distribution Item	
Cash Dividends	(57,332,560)
Ending unappropriated retained earnings	2,246,711

**Chairman:** Jing Rong Tang **General Manager:** Jing Rong Tang **Chief Accounting Officer:** Paula Hung

## 6. List of Directors (Including Independent Directors) Candidates

NO.	Candidate	Name	Shareholdings (shares)	Education	Main Experience	Current Position
1	Director	The representative of Uholy Investment Co., Ltd. : Jing Rong Tang	6,457,948	Bachelor of Department of Electrical Engineering, Tatung Institute of Technology	Chairman and General Manager of Holy Stone Enterprise Co., Ltd. ; Chairman of Holy Stone Healthcare Co., Ltd.	Chairman and General Manager of Holy Stone Enterprise Co., Ltd. ; Chairman of Holy Stone Healthcare Co., Ltd.
2	Director	The representative of Uholy Investment Co., Ltd. : Sherry Wu	6,457,948	Bachelor of Department of Accounting, Providence University	Vice President of Holy Stone Enterprise Co., Ltd. ; Director of Holy Stone Enterprise Co., Ltd.	Director of Holy Stone Enterprise (Hong Kong) Co., Ltd. ; Director of Holy Stone Holdings Co., Ltd. ; Representative of juristic person supervisor, Martek Co., Ltd. ; Representative of juristic person supervisor, Jungchan Investments Co., Ltd. Supervisor of eMPIA Technology Inc.
3	Director	The representative of Uholy Investment Co., Ltd. : Steven Huang	6,457,948	Master of Department of Law, Soochow University; PMBA, NTU	Director of General Manager's Office, Holy Stone Enterprise Co., Ltd. ; Juristic person chairman representative, Herztek Incorporation ; Representative of juristic person director, Martek Co., Ltd.	Director of General Manager's Office, Holy Stone Enterprise Co., Ltd. ; Juristic person chairman representative, Herztek Incorporation ; Representative of juristic person director, Martek Co., Ltd.
4	Director	Hung Che Shen	0	Master of International Finance, University of Wales, UK.	Executive Vice President of Yuanchuang Management Consulting Co., Ltd. ; Special assistant to General Manager, eGalax_eMPIA Technology Inc. ; Juristic person chairman representative, eMPIA Technology Inc. ; Representative of juristic person director, Wom Asia Co., Ltd.	Special assistant to General Manager, eGalax_eMPIA Technology Inc. ; Juristic person chairman representative, eMPIA Technology Inc. ; Representative of juristic person director, Wom Asia Co., Ltd.

NO.	Candidate	Name	Shareholdings (shares)	Education	Main Experience	Current Position
5	Independent Director	Ming Fang Liang	0	Master, College of Finance, NTU.	Vice President and CFO of Altek Corporation ; Representative of juristic person of Director of Altek Corporation	Senior Vice President and CFO of Altek Corporation ; Representative of juristic person of Director of Altek Corporation
6	Independent Director	Cheng Chung Hsieh	0	Department of Physics, National Cheng Kung University.	General Manager of Panasonic Industrial Device Sales (Taiwan) Co., Ltd. ; Supervisor of 3e YAMAICHI Electronics Co., Ltd.	Supervisor of 3e YAMAICHI Electronics Co., Ltd.
7	Independent Director	John Lin	0	Master, Department of Mechanical Engineering, NTU. ; EMBA, National CHENG-CHI University.	Vice President of Advantech Co., Ltd. ; General Manager of MOXA INC. ; Director of Korenix Technology Co., Ltd. ; Director of Korenix Investment Co., Ltd. ; Supervisor of Hsin Chu Construction Co., Ltd.	Supervisor of Hsin Chu Construction Co., Ltd.
8	Independent Director	Jiin Shian Chen	0	Doctor of Juridical Science (SJD), National CHENG-CHI University. ; EMBA, National CHENG-CHI University. ; Graduate programs of Business School Student, Stanford University. ; Advanced study Graduate Student, University of Victoria, Canada.	Presiding Attorney of J.S. International Attorneys At Law ; Independent Director of Panion & BF Biotech Inc.	Presiding Attorney of J.S. International Attorneys At Law ; Independent Director of Panion & BF Biotech Inc.

Note: The shareholdings up until the book closure date on March 31, 2024 of the current shareholders' meeting

Reasons for the nomination of independent director who has served more than three terms

Name	Reasons for the nomination
Ming Fang Liang	Ms. Ming Fang Liang has served as an independent director of the Company more than three terms. She has rich industrial knowledge and experience and significant benefit to the Company. Therefore, this election intends to continue to nominate her to serve as an independent director of the Company. She can perform the duties of an independent director and elaborate her expertise to supervise the Board and provide professional advice.

7. The Main Content of Competitive Conducts of Newly Elected Directors (Including Independent Directors) and the Juristic Person

Name	Position holding in other companies	
	Company	Concurrent Position
Jing Rong Tang	Holy Stone Enterprise Co., Ltd.	Chairman and General Manager
Sherry Wu	Holy Stone Enterprise (Hong Kong) Co., Ltd.	Director
Steven Huang	Holy Stone Enterprise Co., Ltd.	Director of General Manager's Office
	Herztek Incorporation	Chairman
	Martek Co., Ltd.	Director
Hung Che Shen	Wom Asia Co., Ltd.	Director
Ming Fang Liang	Altek Corporation	Senior Vice President and CFO
	Altek Corporation	Director

## D.Appendix

### 1.Rules of Procedure for Shareholders' Meeting

#### **eGalax\_eMPIA Technology Inc. Rules of Procedure for Shareholders' Meeting**

Passed and put into effect by the Shareholders Meeting on June 7, 2023

Article 1 (Basis for formulation)

In order to establish a sound governance system of the Shareholders' Meeting, perfect the supervisory function and strengthen the management functions of the Company, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and to facilitate compliance herewith, these Rules are hereby formulated.

Article 2 (Scope of application)

The rules of procedure for the Company's Shareholders' Meetings shall be in accordance with the provisions of these Rules, unless otherwise stipulated by laws and regulations or the Articles of Incorporation.

Article 3 (Convening of the Shareholders' Meeting and the meeting notice)

The Company's Shareholders' Meetings shall be convened by the Board of Directors unless otherwise provided by laws and regulations.

Changes in the method of convening the Shareholders' Meeting of the Company shall be resolved by the Board of Directors, and such changes shall be made at the latest before the notice of the Shareholders' Meeting is sent out.

Notice regarding the convening of an ordinary Shareholders' Meeting shall be given to all shareholders 30 days in advance; for shareholders holding less than 1,000 registered shares, such notification may be carried out by means of an announcement made on the Market Observation Post System 30 days in advance. Notice regarding an extraordinary Shareholders' Meeting shall be given to all shareholders 15 days in advance; for shareholders holding less than 1,000 registered shares, such notification may be carried out by means of an announcement made on the Market Observation Post System 15 days in advance.

Notification and announcements shall specify the reason for the convening of such meeting; such notification may, with the consent of the counterparty, be carried out electronically.

For appointment, election, or removal of directors, revision of the Articles of Incorporation, capital reduction, application for the termination of public offering, release from director non-compete obligations, capital increase out of retained earnings, capital increase out of capital reserves, company dissolution, merger, demerger, or any matter specified in the subparagraphs of Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, or Article 56-1 or Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the reason for convening the meeting shall be specified with its main content set out therein, and shall not be put forward in an extempore motion.

Where the reason for convening the Shareholders' Meeting has specified the re-election of all directors and the date of their inauguration, the date of their inauguration shall not be altered by putting forward an extempore motion or otherwise at the same meeting

after such re-election has been completed at the Shareholders' Meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at an ordinary Shareholders' Meeting. The number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda. In addition, if a proposal put forward by a shareholder falls under any of the circumstances in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda.

A shareholder may submit a suggestive proposal to urge the Company to promote public interests or fulfill social responsibilities following the procedure in Article 172-1 of the Company Act, under which the number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda.

The Company shall announce the place, period of time, and the correspondence or electronical means of accepting the submission of shareholder proposals prior to the record date before the ordinary Shareholders' Meeting is held; and the period for the submission of shareholder proposals shall not be less than 10 days.

A proposal submitted by the shareholder shall be limited to 300 words, and no proposal containing more than 300 words shall be included in the meeting agenda. The proposing shareholder shall attend the ordinary Shareholders' Meeting in person or by proxy to take part in the discussion on said proposal.

The Company shall inform the proposing shareholders of the result of the proposal screening prior to the date issuing the meeting notice of the Shareholders' Meeting, and include the proposal that conforms to the provisions of this article into the meeting agenda of the meeting notice. For shareholder proposals that are not included in the agenda, the Board of Directors shall explain the reasons therefor at the Shareholders' Meeting.

#### Article 4 (Attendance at Shareholders' Meeting by proxy and authorization)

A shareholders may, for each Shareholders' Meeting, issue a proxy published by the Company specifying the scope of authorization to appoint a proxy to attend the Shareholders' Meeting.

A shareholder may issue one proxy to appoint one person only for any given Shareholders' Meeting, and the proxy shall be delivered to the Company 5 days prior to the Shareholders' Meeting. In the event of duplicate proxies, the one delivered earliest shall prevail, unless a statement is made to revoke the previous proxy appointment.

After a proxy has been delivered to the Company, if the shareholder intends to attend the Shareholders' Meeting in person, he or she shall notify the Company in writing of revoking the proxy appointment no later than 2 days prior to the Shareholders' Meeting; in the event of notification of revocation falling after the deadline, the votes cast at the meeting by the proxy shall prevail.

If, after a proxy is delivered to the Company, a shareholder intends to attend the Shareholders' Meeting via video conferencing, a proxy revocation shall be delivered in writing to the Company 2 days prior to the Shareholders' Meeting date. In the event that the proxy revocation is delivered after the deadline, votes cast at the meeting by the proxy shall prevail.

#### Article 5 (Principles for the venue and time of the Shareholders' Meeting)

The venue for the Shareholders' Meeting shall be where the Company is located, or at a place that is convenient for shareholders to attend and suited to holding the



Shareholders' Meeting. The meeting shall 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 venue and time of the meeting.

The restrictions on meeting venue shall not apply when the Company holds the Shareholders' Meeting via video conferencing.

Article 6 (Preparation of signature book and other documents)

The Company shall provide a signature book for the shareholder attending in person or by proxy (hereinafter collectively referred to as the Attending Shareholder) to sign in for attendance, or the Attending Shareholder may hand in a sign-in card in lieu of signing in for attendance.

The Company shall hand over the meeting handbook, annual report, attendance card, speech note, voting slip, and other meeting materials to the Attending Shareholder at the Shareholders' Meeting; where there is an election of directors, the ballot paper shall also be provided therewith.

Shareholders shall present their attendance cards, sign-in cards for attendance or other attendance certificates to attend the Shareholders' Meeting. The Company shall not arbitrarily demand that additional supporting documents be provided in order to attend the Shareholders' Meeting. Proxy solicitors shall also bring their identity documents for verification.

When the government or 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 the meeting as proxy, it may designate only one representative to attend the meeting.

Where the Shareholders' Meeting is held via video conferencing, a shareholder intending to attend the meeting via video conferencing shall register with the Company prior to the Shareholders' Meeting date.

Where the Shareholders' Meeting is held via video conferencing, the Company shall upload the meeting handbook, annual report, and other related meeting materials on the virtual meeting platform at least 30 minutes prior to the start of the meeting, and shall continue such disclosure until the end of the meeting.

Article 6-1 (Convening virtual Shareholders' Meetings and items to be included in the meeting notice)

To convene a virtual Shareholders' Meeting, the Company shall include the following items in the Shareholders' Meeting notice:

1. The methods by which shareholders shall attend the virtual meeting and exercise their rights.

2. The handling methods if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events.

This shall include, at a minimum:

(1) If the above obstruction continues and cannot be removed, the time to which the meeting must be postponed or from what time the meeting will be resumed as well as the date to which the meeting is postponed or on which the meeting will be resumed.

(2) Shareholders not having registered to attend the affected virtual Shareholders' Meeting shall not attend the postponed or resumed session.

(3) In the event of a hybrid Shareholders' Meeting, when the virtual meeting cannot be continued and the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual Shareholders' Meeting, still meets the statutory quorum requirements for a shareholder meeting, the Shareholders' Meeting shall continue. The shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by

shareholders present at the meeting, while shareholders attending the virtual meeting shall be deemed to have waived the voting right on all proposals on the meeting agenda of that Shareholders' Meeting.

(4) The handling method when the outcome of all proposals has been announced but extempore motions are not processed.

3. To convene a virtual Shareholders' Meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting shall be specified.

Article 7 (Chair and participants of the Shareholders' Meeting)

If the Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or unable to exercise his/her powers for some reason, the vice chairman shall act as chair. If there is no vice chairman or the vice chairman is also on leave or unable either to exercise his/her powers, the chairman shall designate one managing director to act as chair; if there is no managing director, a director shall be designated to act as chair; if the chairman fails to designate a proxy, the managing director or directors shall select one person from among themselves to act as chair.

It is advisable that Shareholders' Meetings convened by the Board of Directors be presided over by the chairman in person and be attended by a majority of the directors as well as attended by at least one member of each functional committee on behalf thereof. The attendance status thereof shall be recorded in the meeting minutes.

If a Shareholders' Meeting is convened by a person with power to convene other than the Board of Directors, said person with power to convene shall act as the chair; where there are two or more such persons with power to convene, they shall select one person to act as the chair from among themselves.

The Company may appoint its lawyers, accountants, or related personnel to participate in the Shareholders' Meeting.

Article 8 (Documentation of a Shareholders' Meeting via audio or video)

The Company shall make an audio or video recording of the entire process of each Shareholders' Meeting, and preserve such recordings for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such recordings shall be preserved until the closing of the lawsuit.

Where a Shareholders' Meeting is held via video conferencing, the Company shall keep records of the shareholder registration, sign-in, attendance, questions raised, votes cast, the results of votes counted, and other information, and make continuous, uninterrupted audio and video recordings of the entire virtual meeting proceedings.

The information and audio and video recordings in the preceding paragraph shall be properly preserved by the Company during the period of its existence, and the copies of such audio and video recordings shall be provided to the party appointed to handle matters of the virtual meeting for safekeeping.

When a virtual Shareholders' Meeting is held, it is advisable that the Company make audio and video recordings of the virtual meeting platform's back-end operations interface.

Article 9 (Calculating the number of shares in attendance at the Shareholders' Meeting and meeting in progress)

The shareholder attendance at the Shareholders' Meeting shall be calculated on the basis of shares. The number of shares in attendance shall be calculated based on the

shares indicated in the signature book and the sign-in cards handed in, as well as the shares represented by the shareholders having signed in on the virtual meeting platform, plus the number of shares with the voting rights exercised via correspondence or electronical means.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting, etc. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement of the meeting, provided that no more than two such postponements shall be allowed and the total delay thereby shall not exceed one hour. If there is still not a quorum after two such postponements and the attending shareholders represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned due to lack of quorum; where a virtual Shareholders' Meeting is held, the Company shall also declare the meeting adjourned if there is a lack of quorum on the virtual meeting platform.

If there is still not a quorum after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; and all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month; where a virtual Shareholders' Meeting is held, a shareholder intending to attend the meeting via video conferencing shall re-register with the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution earlier adopted for a vote at the Shareholders' Meeting in accordance with Article 174 of the Company Act.

#### Article 10

##### (Discussion of proposals)

If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be determined by the Board of Directors. Votes shall be cast on each separate proposal in the meeting agenda. The meeting shall be conducted in accordance with the scheduled meeting agenda, which shall not be changed without a resolution of the Shareholders' Meeting.

If the Shareholders' Meeting is convened by a person with power to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

The chair shall not forthwith declare the meeting adjourned without a resolution before the deliberation on the scheduled meeting agenda in the preceding two paragraphs (including extempore motions) has been concluded. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, with the consent of a majority of the votes represented by the attending shareholders, in order to then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanations of and discussions on proposals as well as the amendments or extempore motions put forward by the shareholders; when it is considered that a proposal has been discussed sufficiently to be put to the vote, the chair may announce the discussion closed, put it to the vote, and arrange sufficient time for voting.

Article 11

(Speeches by shareholders)

Before speaking, an attending shareholder must first fill in a speech note specifying the subject of the speech, his/her/its shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be determined by the chair.

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

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

When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor. The chair shall put a stop to such violations.

When a corporate shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual Shareholders' Meeting is held, a shareholder attending the virtual meeting may raise questions by text to be posted on the virtual meeting platform, beginning with the time when the chair has declared the start of the meeting, and lasting until the chair declares the meeting adjourned. No more than two attempts may be made to raise questions for the same proposal. Each question shall contain no more than 200 words. The provisions in Paragraphs 1 to 5 shall not apply.

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

Article 12

(Calculation of voting shares and recusal system)

Voting at the Shareholders' Meeting shall be calculated based the number of shares. With respect to resolutions of Shareholders' Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item that is likely to prejudice the Company's interests, that shareholder shall not vote on that item, and shall not exercise voting rights as proxy for any other shareholder either.

The number of shares that cannot exercise voting rights in the preceding paragraph shall not be included in the number of voting rights of shareholders present.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy shall not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

(Voting on agenda items, vote scrutiny, and vote counting methods)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but to have waived his/her/its rights with respect to the extempore motions and amendments to original proposals of that meeting.

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 2 days prior to the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one delivered earliest shall prevail, except when a declaration is made to revoke the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person or via video conferencing, a declaration of intent to revoke the exercise of voting rights already carried out under the preceding paragraph shall be made known to the Company by the same means as that for exercising the voting rights no later than 2 days prior to the date of the Shareholders' Meeting. If the declaration of revocation is submitted after the foregoing deadline, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means but has at the same time appointed a proxy to attend the Shareholders' Meeting, the voting rights exercised by the proxy at the meeting shall prevail.

A proposal shall be deemed passed after the chair has consulted with all the shareholders in attendance and no objection has been raised, and its effect shall be the same as that when the proposal is put to the vote; if there is any objection thereto, the proposal shall be put to the vote in accordance with the provisions of the preceding paragraph.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When any one of them has been passed, the other proposals shall then be deemed rejected, and no further voting shall be required. The vote scrutiny and vote counting personnel for the voting on a proposal shall be appointed by the chair, provided that all vote scrutiny personnel shall be shareholders of the Company.

The voting at the Shareholders' Meeting and the vote counting operations for elections and proposals shall be conducted in a public space within the Shareholders' Meeting venue. In addition, the results of the voting, including statistical tallies of the numbers of votes, shall be announced on-site at the meeting after vote counting has been completed, and record thereof shall be made.

When the Company holds a virtual Shareholders' Meeting, after the chair has called the meeting to order, a shareholder attending the meeting via video conferencing shall cast votes on proposals and elections via the virtual meeting platform before the chair

announces the voting session has ended; otherwise, the shareholder shall be deemed to have waived the right to vote thereon.

When the Company holds a virtual Shareholders' Meeting, the votes shall be counted in one lot, after the chair has declared the voting session ended, and the results of the voting and elections shall be announced.

When the Company holds a hybrid Shareholders' Meeting, where a shareholder having registered to attend the meeting via video conferencing in accordance with Article 6 intends to attend the physical Shareholders' Meeting in person, he/she/it shall revoke his/her/its registration 2 days prior to the Shareholders' Meeting in the same manner as that in which the registration has been made. If the registration is not revoked within the time limit, he/she/it may only attend the Shareholders' Meeting via video conferencing.

When a shareholder who has previously exercised his/her/its voting rights by correspondence or electronic means but without revoking his/her/its original declaration of intent, still attends the Shareholders' Meeting via video conferencing, he/she/it shall not exercise his/her/its voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal, except for extempore motions.

#### Article 14 (Election of directors)

When there is an election of directors at a Shareholders' Meeting, it shall be conducted in accordance with the relevant election and appointment rules stipulated by the Company. The election result shall be announced on the spot, including the names of the directors-elect and the numbers of votes with which they have been elected, as well as the names of directors not elected and the number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote scrutiny personnel and be 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 closing of the lawsuit.

#### Article 15 (Meeting minutes and signatures)

Resolutions of the Shareholders' Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chair of the meeting, and a copy thereof shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall properly record the year, month, day, and venue of the meeting, the name of the chair, the methods by which resolutions were adopted, a summary of the deliberations and their voting results (including the vote tally), and disclose the number of voting rights won by each candidate in the case of a director election. The meeting minutes shall be retained permanently for the duration of the existence of the Company.

Where a virtual Shareholders' Meeting is held, in addition to the items to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the Shareholders' Meeting, the method of holding the meeting, the name of the chair and the meeting secretary, as well as the handling methods and the handling status thereof in case of disruption to the virtual meeting platform or participation in the



meeting via video conferencing due to natural disasters, accidents or other force majeure events shall also be included in the minutes.

When a virtual shareholder meeting is held, in addition to compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes the alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting.

Article 16 (Public disclosure)

The number of shares acquired by the vote solicitor, the number of shares represented by a proxy, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means shall be compiled in the form of a statistical statement as prescribed and clearly disclosed within the venue of the Shareholders' Meeting on the day of the Shareholders' Meeting; when a virtual Shareholders' Meeting is held, the Company shall upload the aforementioned meeting materials on the virtual meeting platform at least 30 minutes before the meeting starts, and shall continue such information disclosure until the end of the meeting.

During virtual Shareholders' Meetings held by the Company when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting is updated and the tally of votes is released throughout the meeting.

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

Article 17 (Maintenance of order at the meeting venue)

The personnel handling administrative affairs at a Shareholders' Meeting shall wear identification cards or arm bands.

The chair may direct pickets or security personnel to assist in maintaining order at the venue. When pickets or security personnel are present at the venue to help maintain order, they shall wear arm bands or identification cards bearing the wording "Picket". Where the venue is equipped with sound amplification equipment, the chair may put a stop to a shareholder's speech if such speech is not made through the equipment furnished by the Company.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the meeting proceedings and refusing to stop, the chair may direct the picket or security personnel to escort said shareholder out of the meeting venue.

Article 18 (Recess and resumption of the Shareholders' Meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. In the event of the occurrence of an irresistible event, the chair may rule the meeting temporarily suspended and announce the 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 scheduled agenda items (including extempore motions) have been addressed, the Shareholders' Meeting may adopt a resolution to resume the meeting at another venue sought otherwise.

The Shareholders' Meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or continue the meeting within 5 days.

Article 19 (Disclosure of information at virtual meetings)

When a virtual Shareholders' Meeting is held, the Company shall disclose real-time results of the votes on all the proposals and the election after the end of the voting session on the virtual meeting platform in accordance with the regulations, and shall continue such disclosure at least 15 minutes after the chair has declared the meeting adjourned.

Article 20 (Location of the chair and meeting secretary for the virtual Shareholders' Meeting)

When the Company holds a virtual Shareholders' Meeting, both the chair and meeting secretary shall be at the same domestic location, and the chair shall declare the address of said location when the meeting is called to order.

Article 21 (Handling of disconnections)

When a virtual Shareholders' Meeting is held, 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 assist them in resolving technical issues during communication.

When a virtual Shareholders' Meeting is held, at the time when the meeting is called to order, the chair shall also declare that, unless it is under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events before the chair has announced the meeting adjourned, and such obstruction has continued for 30 minutes or more, the other date of the meeting to which it will be postponed or on which it will be resumed within 5 days shall be announced, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, a shareholder that has not registered to participate in the virtual Shareholders' Meeting so affected shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed pursuant to Paragraph 2, the number of shares represented by, and the voting rights and election rights exercised by the shareholders so affected who have registered to participate in the original virtual Shareholders' Meeting and have successfully signed in said meeting but have not attended the postponed or resumed session, shall be counted towards the total number of shares, number of voting rights, and number of election rights represented by the shareholders attending the postponed or resumed session.

When handling the postponed or resumed session of a Shareholders' Meeting pursuant to Paragraph 2, no further discussion or resolution shall be required for proposals on which the votes have been cast and counted and the results thereof or the list of the directors-elect have been announced.

In the event that of a hybrid Shareholders' Meeting, when the virtual meeting cannot be continued where the total number of shares represented at the meeting, after



deducting those represented by shareholders attending the virtual Shareholders' Meeting, still meets the statutory quorum requirements for a shareholder meeting, the Shareholders' Meeting shall continue without the need to postpone or resume the meeting in accordance with Paragraph 2.

Under the circumstances where a meeting shall continue as prescribed in the preceding paragraph, the shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, while the shareholder attending the virtual meeting shall be deemed to have waived the voting right on all proposals on the meeting agenda of that Shareholders' Meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original Shareholders' Meeting in accordance with the requirements set out in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For the periods set forth in the latter part 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 of 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 relevant matters based on the date of the Shareholders' Meeting that is postponed or resumed pursuant to Paragraph 2.

#### Article 22

(Handling of digital divide)

When holding a virtual Shareholders' Meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting.

#### Article 23

(Supplementary provisions)

These Rules came into force after being approved by the Shareholders' Meeting, and the same shall apply in the event of the revision thereof.

These Rules were formulated on May 16, 2006.

The first revision was made on June 18, 2010.

The second revision was made on June 6, 2012.

The third revision was made on June 10, 2015.

The fourth revision was made on June 10, 2020.

The fifth revision was made on July 22, 2021.

The sixth revision was made on June 07, 2023.

## 2. Articles of Incorporation

### **eGalax\_eMPIA Technology Inc. Articles of Incorporation**

#### **Chapter 1 General Provisions**

- Article 1 : This Company, incorporated pursuant to the Company Act, is named eGalax\_eMPIA Technology Inc.
- Article 2 : The Company's business services are as follows:
1. I501010 Product Designing
  2. F119010 Wholesale of Electronic Materials
  3. F219010 Retail Sale of Electronic Materials
  4. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 : The Company may provide external guarantee and make reinvestment in response to business needs; the total amount of such reinvestment may not be subject to the restriction in Article 13 of the Company Act, unless otherwise stipulated by laws and regulations.
- Article 3 : The head office of this Company is established in Taipei City. If necessary, upon a resolution of the board of directors, the Company may establish domestic and overseas branches.
- Article 4 : All Company announcements shall be carried out in accordance with Article 28 of the Company Act.

#### **Chapter 2 Shares**

- Article 5 : The total authorized capital of this Company is NT\$1,000,000,000, divided into 100,000,000 shares, at NT\$10.00 par value, and issued separately.
- For total capital mentioned in the preceding paragraph, of which the 5,000,000 shares are reserved for the issuance of employee stock warrants, the Board of Directors is authorized to issue these certificates in installments.
- Article 5-1 : When the Company's shares are listed on a stock exchange or traded over the counter at a securities firm's business premises, employee stock warrants for which the subscription price is lower than the closing price of the Company's common stock on the date of issuance may only be issued by a resolution adopted by a shareholders' meeting attended by shareholders representing more than half of the total number of issued shares, with consent from two-thirds or more of the voting rights of shareholders in attendance.
- When the Company's shares are listed on a stock exchange or traded over the counter at the securities firm's business premises, the Company's shares may be transferred to employees at a price lower than the average price of the actual repurchased shares. However, prior to the transfer, the transfer shall be submitted to the latest shareholder meeting attended by shareholders representing more than half of the total number of issued shares, with consent from two-thirds or more of the voting rights of shareholders in attendance.
- Article 5-2 : The potential recipients of treasury stocks, employee stock warrants, the right to subscribe to new shares out of cash capital increase, and restricted stock awards

transferred or issued by the Company to employees, shall include employees of the controlling or subordinate companies who meet certain conditions. Such conditions shall be authorized to the board of directors or its authorized person for determination.

- Article 6 : The Company's shares are registered share certificates which shall be signed or sealed by the directors representing the Company, and shall be duly certified or authenticated in accordance with the Act before issuance.

Shares to be issued by the Company may be exempted from printing any share certificate for the shares issued. However, the issued shares shall be registered with a centralized securities depository enterprise.

- Article 7 : The record date of the regular shareholders' meeting and the extraordinary shareholders' meeting shall be handled in accordance with Article 165 of the Company Act. In addition, the Company shall close all registers for share transfer no more than 5 days prior to the record date for the distribution of dividends, bonuses or other benefits.

### **Chapter 3 Shareholders' Meetings**

- Article 8 : The shareholders' meeting shall be convened in two forms: Regular meetings, and extraordinary meetings. The regular meeting shall be held once annually, to be convened by the board of directors within six months after the closing of each fiscal year, in accordance with the Act. Extraordinary meetings, if necessary, shall be convened in accordance with the Act.

When the Company holds a shareholders' meeting, the meeting may be carried out via video conference or other means announced by the central competent authority.

When the shareholders' meeting is held via video conference, a shareholder who participates in the meeting via video conference shall be deemed to be present in person.

If the competent securities authority has stipulated otherwise than the provisions in the preceding two paragraphs, such stipulations shall prevail.

- Article 9 : Where a shareholder is unable to attend the shareholders' meeting, such shareholder may designate a person to attend the meeting by completing a power of attorney form printed by the Company stating the power of attorney's scope of authorization and bearing the shareholder's seal and signature.

- Article 10 : Company shareholders shall have one voting right per share. However, shareholders shall not have voting rights in the event of any of the circumstances stipulated in Article 179 of the Company Act.

- Article 11 : Unless otherwise stipulated by the Company Act, a resolution of the shareholders' meeting shall be adopted if shareholders representing more than half of the total number of issued shares are in attendance, and when shareholders in attendance representing more than half of the voting rights vote in favor. When a proposal is put to the vote, if no objection is raised after the chair has consulted all the shareholders in attendance, it shall be deemed to be passed, which shall have the same effect as voting by poll.

- Article 11-1 : Revocation of the public offering of stocks shall be a matter to be submitted to the shareholders' meeting for resolution.

The provision in the preceding paragraph shall not be changed during the period

when the Company's stocks are listed on the Emerging Stock Market and Taiwan Stock Exchange (Taipei Exchange).

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

Article 12                      :    The Company shall have five to eleven directors, with terms of three years. The shareholders' meeting shall select the directors from the list of candidates, and directors may be re-elected for consecutive terms. For the election of the Company's directors, unless otherwise stipulated by the Company Act, each share shall have the same voting rights as the number of directors to be elected, which may be consolidated for election of one candidate, or may be split for election of two or more candidates.

Director remuneration shall be authorized to the board of directors for determination in accordance with their level of participation in the Company's operations and value of their contributions, taking into account the common standard of industry peers.

The Company may take out liability insurance for its directors during their term of office, and the scope of insurance shall be authorized to the board of directors for resolution.

The Company shall set up an audit committee to replace the supervisor.

The audit committee shall be composed of all independent directors, the number of which shall not be less than three, with one of them being the convener, and at least one of them possessing expertise in accounting or finance.

Article 12 -1                      :    Among the Company's board seats, the number of independent directors shall not be less than three and shall not be less than one fifth the number of the board seats. The nomination and selection methods for independent directors and other matters to be complied with shall all be carried out in accordance with the relevant regulations of the competent authority.

The election of directors (including independent directors) shall adopt a candidate nomination system, and the shareholders' meeting shall select directors from the list of candidates. The election of independent directors shall be carried out in combination with the election of non-independent directors, but the number of directors elected shall be calculated separately; matters related to the selection, appointment, implementation, etc. shall be handled in accordance with the Company Act, Securities and Exchange Act, and other relevant laws and regulations.

Article 13                      :    The board of directors shall be organized from the directors. The chair shall be elected by two thirds of the directors in attendance, with the consent of more than half of the directors in attendance. The chair shall represent the Company externally.

Article 13-1                      :    For the convening of the board of directors meeting, the Company shall specify the reasons thereof and notify the directors 7 days in advance. However, in the event of emergency, a board meeting may be convened at any time.

The convening notice for a board meeting referred to in the preceding paragraph may be given in writing, by e-mail, or by fax.

Except as otherwise provided by law, resolutions of the board of directors shall be adopted by more than half of the directors in attendance, with the consent of more

than half of the directors in attendance.

When the board of directors meeting is held by video conference, a director who participates in the meeting via video conference shall be deemed to be present in person.

Article 14 : When the chair is on leave or is unable to exercise his functions and powers for some reason, the proxy for such shall be handled in accordance with the provisions of Article 208 of the Company Act. A director who is unable to attend the board meeting for any reason may entrust one other director to act on his/her behalf to attend the board meeting, provided that a written proxy shall be issued for each representation, specifying the scope of authority. A director may accept the appointment to act as the proxy of one other director only.

Article 15 : Where a director of the Company is assigned by (through) the Company to serve as director, supervisor, or manager of the reinvested enterprise, regardless of the operating profit or loss of the Company or the reinvested enterprise, the Company and the reinvested enterprise may pay for the remuneration, with the maximum total amount of such remuneration set at NT\$6 million per person. The determination on the individual remuneration standards for the aforementioned personnel shall be authorized to the board of directors of the Company based on the level of their participation in and the value of their contribution to the operation of the Company or the reinvested enterprise, taking into account the common standards of industry peers, and within the aforementioned limit.

If the Company has a surplus, it shall separately distribute remuneration in accordance with the provisions of Article 19.

## **Charter 5                      Managerial Officers**

Article 16 : The Company may install one President, and his/her appointment, dismissal and remuneration shall be processed in accordance with Article 29 of the Company Act.

## **Chapter 6                      Accounting**

Article 17 : At the end of every fiscal year, the board of directors shall prepare the following statements and records of accounts, and pass them on to shareholders' meeting for ratification in accordance with the Act: (1) Business report; (2) Financial statement; (3) proposal for surplus earnings distribution or loss make-up proposal.

Article 18 : Deleted

Article 19 : If the Company makes a profit in the year ("profit" shall refer to the profit before tax, deducting distribution of employee compensation and director remuneration), it shall set aside no less than 9% thereof for employee compensation and no more than 2% for director remuneration. However, if the Company still has accumulated losses, it shall reserve the amount to make up for the loss in advance.

Determination on the distribution ratio of employee compensation and director remuneration, as well as employee compensation to be distributed in stocks or cash, shall be resolved by the board of directors with two thirds or more of the directors in attendance and with the consent of more than half of the directors in attendance, and reported to the shareholders' meeting. The director remuneration referred to in the preceding paragraph shall be paid in cash only.

The potential recipients for the distribution of employee compensation may include

employees of the controlling or subordinate companies who meet certain conditions, and such conditions shall be authorized to the board of directors or its authorized person for determination.

Article 19-1 : If the Company has any surplus in annual final accounts, it shall be distributed in the following order:

1. Payment of taxes.
2. Making up for losses (including adjusting the amount of undistributed surplus).
3. Setting aside 10% thereof as the statutory surplus reserve, except when the statutory surplus reserve has reached the Company's paid-in capital. (The net profit after tax of the current period plus the amount in the item other than the net profit after tax of the current period that is included in the undistributed surplus of the current year shall serve as the basis for the provision of the statutory surplus reserve.)
4. Setting aside or reversing the special surplus reserve, in accordance with the laws, regulations, and requirements of the competent authority.
5. The balance after the distribution made in the order specified in the preceding subparagraphs 1 to 4 plus the undistributed earnings at the beginning of the period is the distributable surplus. The board of directors shall draw up a proposal for the surplus distribution. Where it is to be carried out by issuing new shares, it shall be submitted to the shareholders' meeting for a resolution on the distribution of dividends to shareholders.

When the Company shall distribute dividends and bonuses in accordance with Article 240, Paragraph 5 of the Company Act, or all or part of the statutory surplus reserve and capital reserve shall be distributed in cash in accordance with Article 241, Paragraph 1 of the Company Act, the board of directors is authorized to adopt a resolution with two thirds or more of the directors in attendance and with the consent of more than half of the directors in attendance for the distribution, which shall also be reported to the shareholders' meeting.

The Company is currently in the period of growth. The dividend policy shall depend on factors such as the Company's future investment environment, funding needs, and capital budget, and take into consideration the goals of shareholder interests and the Company's sound financial structure. The board of directors shall draw up a proposal for the distribution of earnings within the range of 10% to 100% of the accumulated distributable surplus to be submitted to the shareholders' meeting. Dividends to be paid out to shareholders may be distributed in the form of stock dividends or cash dividends, of which cash dividends shall not be less than 30% of the total dividends.

## **Chapter 7**

### **Bylaws**

Article 20 : Any matter not provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article 21 : These Articles of Incorporation were established on Aug. 22, 2002.  
The 1<sup>st</sup> amendment was made on June 30, 2004.  
The 2<sup>nd</sup> amendment was made on June 2, 2005.  
The 3<sup>rd</sup> amendment was made on Mar. 27, 2006.  
The 4<sup>th</sup> amendment was made on May 16, 2006.  
The 5<sup>th</sup> amendment was made on Nov. 15, 2006.

The 6<sup>th</sup> amendment was made on Dec. 20, 2006.  
The 7<sup>th</sup> amendment was made on June 14, 2007.  
The 8<sup>th</sup> amendment was made on Mar. 12, 2008.  
The 9<sup>th</sup> amendment was made on June 13, 2008.  
The 10<sup>th</sup> amendment was made on June 19, 2009.  
The 11<sup>th</sup> amendment was made on June 18, 2010.  
The 12<sup>th</sup> amendment was made on June 15, 2011.  
The 13<sup>th</sup> amendment was made on June 6, 2012.  
The 14<sup>th</sup> amendment was made on June 13, 2013.  
The 15<sup>th</sup> amendment was made on June 10, 2015.  
The 16<sup>th</sup> amendment was made on June 15, 2016.  
The 17<sup>th</sup> amendment was made on June 12, 2018.  
The 18<sup>th</sup> amendment was made on June 13, 2019.  
The 19<sup>th</sup> amendment was made on July 22, 2021.  
The 20<sup>th</sup> amendment was made on June 8, 2022.

### 3.Procedures for Election of Directors

#### **eGalax\_eMPIA Technology Inc. Procedures for Election of Directors**

Passed and put into effect after the Shareholders' Meeting on July 22, 2021

- Article 1 The election of the Company's directors shall be handled in accordance with these Procedures, unless otherwise provided by the law or the Articles of Incorporation.
- Article 2 Unless otherwise provided by the Company Act, the cumulative voting method shall be adopted for the election of the Company's directors. Each share shall have a number of votes (voting rights) equal to the number of directors to be elected; said votes may be cast for a single candidate, or split among multiple candidates.  
The elections of independent directors and non-independent directors shall be combined together, while the number of respective directors elect shall be counted separately.  
The election of directors (including independent directors) shall adopt the candidate nomination system, and shall be conducted in accordance with the candidate nomination procedure set out in Article 192-1 of the Company Act.
- Article 3 The Board of Directors shall prepare separate ballots for directors corresponding to the number of directors to be elected. The number of votes associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting.
- Article 4 Before the commencement of an election, the chair shall appoint a number of vote-examiners and separate vote-counters, to perform their respective duties; the vote-examiners must have the status of shareholder.
- Article 5 For the election of directors, the ballot box shall be prepared by the Board of Directors, and opened for public counting by the vote-counters prior to the commencement of voting.
- Article 6 If the director candidate is a shareholder, the elector shall fill in the candidate's account name and shareholder account number in the candidate field on the ballot; if the candidate is not a shareholder, the elector shall fill in the candidate's name and ID card number. However, when a government or corporate shareholder is a candidate, the name of the government or legal person shall be entered in the candidate's account name field on the ballot, or alternately, the name of the government or legal person together with the name of its representative may be entered therein. When there are several representatives, the names of the representatives shall be separately entered therein respectively.
- Article 7 Independent directors and non-independent directors shall be elected at the same time; however, the ballots thereof shall be counted separately, and the independent directors and non-independent directors shall be separately elected.
- Article 8 A ballot shall be invalid under any of the following circumstances:



- (1) The ballot is not prepared by a person with the right to convene.
- (2) A blank ballot is cast into the ballot box.
- (3) The writing on the ballot is blurred and unrecognizable or has been altered.
- (4) The names of the director candidates entered in the ballot are found after verification to be inconsistent with those contained in the director candidate names list.
- (5) Other text/letters/script has been entered on the ballot in addition to the number of voting rights allotted.

Article 9      The Company's directors (including independent directors) shall be elected by the shareholders' meeting, based on the list of director candidates and within the quota specified in the Company's Articles of Incorporation. According to the results of the electronic voting platform and ballot tally, the candidates winning ballots representing the most voting rights shall be elected as independent directors and non-independent directors respectively.

When two or more candidates receive the same number of votes, thereby exceeding the prescribed quota, they shall draw lots to decide on the winner thereof; the chair shall draw the lot on behalf of candidates who are absent from the scene.

If it has been confirmed after verification that a director-elect's personal information is not consistent or that his/her election has become invalid in accordance with the law and regulations, the vacancy thereof shall be filled by the candidate winning the second most votes in the original election, which shall be announced at the current shareholders' meeting.

Article 10      Where the Company has an Audit Committee in place, there shall be no election of supervisors.

Article 11      After the voting, the ballots shall be counted on the spot, and the ballot results shall be announced on the spot by the chair.

Article 12      Where an election fails to meet the requirements prescribed in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act, the election shall lose its validity.

Article 13      The Company's Board of Directors shall notify directors-elect that they have won the election.

Article 14      Matters not stipulated in this Procedures shall be handled in accordance with the Company Act, the Company's Articles of Incorporation, and the law.

Article 15      These Procedures shall take effect after being approved by the Shareholders' meeting. The same shall apply to all revisions thereunto.

These Procedures were formulated on June 14, 2007.

The first amendment was made on June 13, 2019.

The second amendment was made on July 22, 2021.

#### 4. Shareholdings of All Directors

In accordance to Article 26 of Securities and Exchange Act and Article 2 and 4 of Rules and Review Procedure for Director and Supervisor Share Ownership Ratios at Public Companies, as of March 31, 2024 the closing date of the 2024 Annual Shareholders' Meeting, the minimum number of shares held by all directors of the Company and the number of shares held are as follows:

Common Shares Issued				63,702,844 shares			
Legal holding of all directors in number of shares				5,096,228 shares			
Title	Name		Date Elected	Shareholdings when Elected (Note 1)		Current shareholdings	
				Shares	%	Shares	%
Chairman	Uholy Investment Co., Ltd.	Jing Rong Tang	July 22, 2021	6,028,705	10.14	6,457,948	10.14
Director		Sherry Wu					
Director		Steven Huang					
Director	Hung Che Shen		July 22, 2021	-	-	-	-
Independent Director	Jim Wu		July 22, 2021	-	-	-	-
Independent Director	Ming Fang Liang		July 22, 2021	-	-	-	-
Independent Director	Cheng Chung Hsieh (Note 2)		July 22, 2021	293	-	-	-
Independent Director	John Lin		June 07, 2023	-	-	-	-
Legal holding of all directors in number of shares (excluding independent directors)						6,457,948	10.14

Note1: Total shares issued as of July 22, 2021 were 59,468,675 common shares.

Note2: The number of shares held at the time of election was recorded in the shareholder register of the company shares on March 30, 2021. Cheng Chung Hsieh was elected as an independent director of the Company on July 22, 2021 and the number of shares held was 0 shares.