

**Stock Code: 8421**



**XU YUAN** PACKAGING  
TECHNOLOGY CO., LTD.  
**旭源包裝科技股份有限公司**

## **2024 Shareholders' Meeting**

### **Meeting handbook**

**Time: 9:00 a.m., Friday, May 24, 2024**

**Location: Meeting Hall, Zhaomen Village, Xinpu Town, Hsinchu County.**

**[No. 31, Zhaojing- Lane, Xinpu Town, Hsinchu County (next to  
Zhaomen Police Station)]**

**Method of Meeting: Held in person**

# 2024 Xu Yuan Packaging Technology Co., Ltd. Shareholders' Meeting

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One. 2024 Xu Yuan Packaging Technology Co., Ltd.  
Shareholders' Meeting

[Procedures for holding a meeting]

- I. Call the Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
- IV. Items for approval
- V. Items for discussion
- VI. Extraordinary Motion
- VII. Adjournment of the meeting

## Two. 2024 Xu Yuan Packaging Technology Co., Ltd. Shareholders' Meeting

### [Meeting agenda]

Time: 9:00 a.m., May 24 (Friday), 2024

Location: Meeting Hall, Zhaomen Village, Xinpu Town (31 Zhaojing, Zhaomen Village, Xinpu Town, Hsinchu County (next to Zhaomen Police Station))

- I. Call the Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
  - (I) 2023 Business Report
  - (II) Audit Committee's review report on 2023 financial statements
  - (III) Allocation of remuneration to employees and directors and supervisors in 2023
- IV. Items for approval
  - (I) Ratification of the 2023 Business Report and Financial Statements
  - (II) Recognition of deficit compensation of 2023
- V. Items for discussion
  - (I) Partial amendments to the Company's "Articles of Incorporation"
  - (II) Partial amendment to the "Rules of Procedure for Shareholders' Meeting"
- VI. Extraordinary Motion
- VII. Adjournment

## [Report Items]

### Report 1

Proposal: 2023 Business Report, for your reference.

Explanation: 2023 Operational Report, detailed in Annex I (please refer to page 6).

### Report 2

Proposal: The Audit Committee's review report on the 2023 financial statements, please review.

Explanation: For the Audit Committee's Review Report, please refer to Attachment 2 (page 7).

### Report 3

Proposal: 2023 distribution of remuneration to employees and directors and supervisors, please review.

Explanation: The Company made a loss of NT\$24,623,769 in 2023, and it is planned not to allocate remuneration to employees and directors.

## [Items for approval]

Proposal 1 (proposed by the Board)

Proposal: 2023 Business Report and Financial Statements.

Explanation: I. The Company's 2023 business report, financial statements and consolidated financial statements have been resolved by the Company's Board of Directors. The financial statements and consolidated financial statements have been audited and completed by Mr. Hsin-Tung Lin and Mr. Ming-Hui Chen, Certified Public Accountants from Deloitte Taiwan, and an audit report has been issued. The Audit Committee of the company has reviewed all of the documents mentioned above and issued the review report.

II. The business report, Independent Auditors' Report, and the aforementioned financial statements are as shown in Attachment 1~3 (see pp. 6-27).

III. For ratification.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Proposal: The reimbursement of deficits from 2023.

Explanation: I. The company's undistributed surplus at the beginning of 112 was NT\$141,902,969. After deducting the 112-year after-tax loss of NT\$24,623,769, The undistributed earnings at the end of the period were NT\$117,279,200. The company does not plan to distribute shareholder dividends.

II. Details of the deficit appropriation for the fiscal year 2023 can be found in Annex IV (please refer to page 29).

III. For ratification.

Resolution:

## [Items for discussion]

### Report 1

Proposal: Partial amendments to the "Articles of Incorporation" of the Company are presented for discussion.

- Explanation: I. Part of the Company's "Articles of Incorporation" will be amended in line with changes in regulation and business needs.
- II. The "Comparison Table for the Amendment to the Articles of Incorporation" is attached. Please refer to Attachment V for details (page 29).

### Report 2

Proposal: Partial amendment to the "Rules of Procedure for Shareholders' Meeting".

- Explanation: I. Part of the Company's "Rules of Procedure for Shareholders' Meeting" will be amended in line with changes in regulation and business needs.
- II. The "Comparison Table for the Amendment to the Rules of Procedure for Shareholders' Meeting" is attached. Please refer to Attachment V for details (page 29).

[Extraordinary Motion]

[Meeting adjourned]

## Three. Attachments

### 2023 Business Report

Attachment I

In 2023, Xu Yuan Company's consolidated total revenue was approximately NTD 1.18 billion, and consolidated net loss after tax was approximately NTD 12.3 million. The after-tax EPS was NTD (0.45).

In 2023, the Company faced various challenges including a sudden increase in raw material prices, a disrupted production supply chain, high logistics costs, and a significant decrease in end-consumption, due to international inflation, ongoing pressure to increase interest rates, the stalemate in the Russo-Ukrainian War, and the Red Sea Crisis. The Company's flexibility and ability to respond flexibly are being tested all the time. In addition to coordinating with customers in adjusting production rhythm, the Company also communicates and coordinates at its best to ensure a stable supply of goods to customers, explore new customer groups, and expand revenue sources and sources. We never give up.

In the face of changes in the business environment and challenges from the market, there is still room for improvement in the overall operation in 2023. The entire management team of the Company continues to face the challenges with a positive attitude. Strengthening management and cutting down costs, the Company continues to develop forward-looking technical capabilities and accumulate long-term competitive advantages.

Key initiatives in 2023 include:

- Optimize the organization and provide employees with multi-functional training.
- Improve asset activation and reduce financial burden.
- Continuously reform process technology and update process equipment to enhance capacity and production efficiency, aiming to achieve sustainable production and energy conservation goals.
- Continuously research and develop energy-saving and intelligent equipment to meet the market's demand for sustainability.
- Continue to utilize the Group's overall resources to sign long-term cooperation contracts with customers, provide comprehensive services, and adjust the flexibility of capacity allocation.

Looking ahead to 2024, the Company aims to operate sustainably in this rapidly changing competitive environment. In addition to cultivating and optimizing its existing fields, the following matters will be the focus of its efforts:

- Continue to recruit strategic partners, expand market presence, and strengthen product mix.
- Combining the existing process technology and resources, the Company will formulate a sustainable development strategy, system and management guideline to achieve the process of the Company's sustainable operation.
- Strengthen existing investments, strengthen market layout in India and Indonesia, and accelerate and expand economic benefits.
- To adopt a lean focus and to integrate limited resources to maximize comprehensive benefits.

Aiming at the capability of technological innovation, the quality improvement of business development and management, the Company will actively discover and cultivate talents, and continue to improve in the fields of technology, quality and service, and continue to focus on the implementation of sustainable operations and the reduction of such risk impacts. These enable the



Company to maintain its competitive advantage.

The management team and all employees of the Company will adhere to a consistent stable and pragmatic business philosophy, integrate the Group's resources, improve the management system, and continue to move forward to achieve the goal of stable operation, enhance the overall value and competitiveness of the Company, and create good returns for shareholders. We look forward to the continued support of our shareholders.

Last but not least, we wish all shareholders good health and prosperity.

Chairman: Huang, Nan-yuan    President: Ya-Ping Chuang    Accounting Supervisor: Su-Huan, Yang



Xu Yuan Packaging Technology Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, parent company only, consolidated financial statements and earnings distribution table. The parent company only and consolidated financial statements have been audited by Su-Li Fang and Ming-Hui Chen, CPAs of Deloitte Taiwan and an Independent Auditors' Report was issued.

The review by the Audit Committee found no misstatement in the above, and hereby presents this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

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2024 Xu Yuan Packaging Technology Co., Ltd. Shareholders' Meeting

Audit Committee convener:



March 7, 2024

**Independent Auditors' Report**

To: Xu Yuan Packaging Technology Co., Ltd.

**Audit opinion**

We have audited the accompanying parent company only balance sheets, as of December 31, 2023 and 2022, of Xu Yuan Packaging Technology Co., Ltd. which comprise of the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies for the years then ended.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Xu Yuan Packaging Technology Co., Ltd. as of December 31, 2023 and 2022, and its parent company only financial performance and its cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries 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 we have acquired sufficient and appropriate audit evidence to serve as the basis for our audit opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company in the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Xu Yuan Packaging Technology Co., Ltd.'s parent company only financial statements for the year ended December 31, 2023 are stated as follows:

**Revenue recognition**

The main source of income of Xu Yuan Packaging Technology Co., Ltd. is the sales of printed labels and sleeve (stick) labeling machines. For the relevant information on sales revenue, please refer to the parent company only financial statements, Note 4 and 20. In our assessment of the sales revenue to specific customers with significant growth in the current year, we recognize the revenue as a key audit matter for the current year.

The auditor considered XU YUAN PACKAGING TECHNOLOGY CO., LTD.'s new customer management policy and revenue recognition process, evaluated the reasonableness of its control procedure design, and performed the following audit procedures.

1. Understand the Company's internal control system and operating procedures for the sale and transaction cycle, so as to evaluate the effectiveness of internal control operation design and implementation.
2. Random sampling checks of the sales revenue statements is taken from the sales counterparties that may be subject to the risks described above, as well as documents such as customer orders, delivery notes, customer receipts and invoices are examined to verify whether the transactions actually occurred, and examine whether the subsequent payment collection from the sales counterparties is abnormal.

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

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

In preparing the parent company only financial statements, the management is responsible for assessing Xu Yuan Packaging Technology Co., Ltd.'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 Xu Yuan Packaging Technology Co., Ltd., 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 Xu Yuan Packaging Technology Co., Ltd.'s financial reporting process.

### **Auditor's Responsibilities for the Audit of the parent company only 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 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 auditing standards accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may result from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

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 to express an opinion on the effectiveness of Xu Yuan Packaging Technology Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Draw conclusions 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 Xu Yuan Packaging Technology Co., Ltd.'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 Xu Yuan Packaging Technology Co., Ltd. to have to cease operations.
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 or business activities of Xu Yuan Packaging Technology Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision,

and performance of the audit. We remain solely responsible for our audit opinion to Xu Yuan Packaging Technology Co., Ltd..

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 the Norms of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From matters communicated with those charged with governance, we determined an issue that was most significant in the audit of the parent company only financial statements for the year ended December 31, 2023, and is, therefore, the key audit matter. 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.

Deloitte Taiwan

CPA Hsin-Tung Li

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n

CPA Ming-Hui Chen

陳明輝



Financial Supervisory Commission  
Approval Reference Number  
FSC Approval No. 1110348898

Securities and Futures Bureau Approval  
Reference Number  
Letter Ref. Tai-Cai-Zheng-VI No. 0930128050

March 7, 2024



Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash (Notes 4, 6, and 26)	\$ 45,027	3	\$ 126,678	7
1136	Financial assets measured at amortized cost (Notes 4, 7, 26, and 28)	114,576	6	-	-
1170	Net accounts and notes receivable (Notes 4, 5, 8, 20, and 26)	210,490	12	216,537	12
1180	Accounts receivable - related parties (Notes IV, V, XXVI and XXVII)	5,193	-	6,261	-
1210	Other receivables - related party (Notes IV, XXVI and XXVII)	246,530	14	297,823	17
1220	Current income tax assets (Notes IV and XXII)	66	-	11	-
130X	Inventories (Notes IV, V and IX)	202,193	11	198,061	11
1479	Other current assets (Notes XIV and XXVII)	<u>30,630</u>	<u>2</u>	<u>20,417</u>	<u>1</u>
11XX	Total current assets	<u>854,705</u>	<u>48</u>	<u>865,788</u>	<u>48</u>
Non-current assets					
1550	Investments accounted for using the equity method (Notes 4, 5 and 10)	262,442	15	260,961	15
1600	Property, plant and equipment (Notes 4, 5, 11, 27, and 28)	589,587	33	572,150	32
1755	Right-of-use assets (Notes IV and XII)	22,630	1	24,641	2
1821	Intangible assets (Notes 4 and 13)	2,792	-	3,777	-
1840	Deferred income tax assets (Notes IV and XXII)	5,381	-	5,874	-
1915	Prepayment for equipment purchase	24,618	2	40,559	2
1920	Refundable deposits (Note IV and XXVI)	<u>12,709</u>	<u>1</u>	<u>14,910</u>	<u>1</u>
15XX	Total non-current assets	<u>920,159</u>	<u>52</u>	<u>922,872</u>	<u>52</u>

1XXX Total assets \$ 1,774,864 100      \$ 1,788,660 100

The accompanying notes form part of the

Chairman: Huang, Nan-yuan



President: CHUANG, YA-PING



  
 Xu Yuan Packaging Technology Co., Ltd.  
 Parent Company Only Statements of Comprehensive Income  
 From January 1 to December 31, 2023 and 2022

Unit: NT\$1,000, except for earnings (losses) per share at NT\$1

Code		Year 2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes IV, XX and XXVII)	\$ 841,887	100	\$ 861,836	100
5000	Operating cost (Notes VIII, XXI and XXVII)	( 738,853)	( 88)	( 807,502)	( 94)
5900	Gross profit	103,034	12	54,334	6
5920	Realized gain on sales	2,935	-	4,696	1
5950	Realized gross profit	105,969	12	59,030	7
	Operating expenses (Notes XXII and XXVII)				
6100	Sales and marketing expenses	( 61,645)	( 7)	( 70,490)	( 8)
6200	Administrative expenses	( 64,944)	( 8)	( 81,643)	( 10)
6300	R&D expenses	( 8,420)	( 1)	( 8,110)	( 1)
6000	Total operating expenses	( 135,009)	( 16)	( 160,243)	( 19)
6900	Net operating loss	( 29,040)	( 4)	( 101,213)	( 12)
	Non-operating income and expense				
7100	Interest revenue (Notes XXI)	6,458	1	340	-
7010	Other income (Notes XXI, XXIV and XXVII)	-	-	5,006	1
7020	Other gains and losses (Notes IV, XI, XXI and XXVII)	5,884	1	581,512	67
7050	Finance cost (Notes IV and XXI)	( 15,386)	( 2)	( 14,227)	( 2)
7070	Share of profit and loss of subsidiaries and associates accounted for using the equity method (Notes IV and X)	7,953	1	15,248	2
7000	Total non-operating income and expenses	4,909	1	587,879	68

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Code		Year 2023		2022	
		Amount	%	Amount	%
7900	Net profit (loss) before tax	(\$ 24,131)	( 3)	\$ 486,666	56
7950	Income tax expenses (Notes IV and XXII)	( 493)	-	( 11,516)	( 1)
8200	Net profit (loss) of the year	( 24,624)	( 3)	475,150	55
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange difference on translation of the financial statements of foreign operations (Notes IV and XIX)	236	-	4,415	1
8500	Total comprehensive income for the year	(\$ 24,388)	( 3)	\$ 479,565	56
	Earnings (losses) per share (Note 23)				
9750	Basic	(\$ 0.45)		\$ 8.67	
9850	Diluted	(\$ 0.45)		\$ 8.50	

The accompanying notes form part of the parent company only financial statements.

Chairman: Huang, Nan-yuan    Managerial Officer: Chuang, Ya-Ping    Accounting supervisor: Yang, Su-Huan



  
 Xu Yuan Packaging Technology Co., Ltd.  
 Parent Company Only Statements of Changes in Equity  
 From January 1, 2023 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code		Common stock/share capital		Retained earnings			Other items of equity	Treasury stock	Total equity	
		Shares (In Thousand)	Amount	Additional paid-in capital	Legal reserve	Special reserves	(Losses to be compensated)			Exchange difference on translation of financial statements of foreign operations
A1	Balance as of January 1, 2022	54,817	\$ 548,171	\$ 89,341	\$ 15,774	\$ 38,179	(\$ 227,053)	(\$ 69,161)	\$ -	\$ 395,251
D1	2022 Net profit	-	-	-	-	-	475,150	-	-	475,150
D3	2022 Other comprehensive income	-	-	-	-	-	-	4,415	-	4,415
D5	2022 Total comprehensive income	-	-	-	-	-	475,150	4,415	-	479,565
Z1	Balance as of December 31, 2022	54,817	548,171	89,341	15,774	38,179	248,097	( 64,746)	-	874,816
	Allocation and distribution of profits for the year 2022									
B1	Appropriation of legal reserve	-	-	-	24,810	-	( 24,810)	-	-	-
B3	Appropriation to special reserve	-	-	-	-	26,567	( 26,567)	-	-	-
B5	Cash Dividends to Shareholders of the Company	-	-	-	-	-	( 54,817)	-	-	( 54,817)
D1	Net loss for the year 2023	-	-	-	-	-	( 24,624)	-	-	( 24,624)
D3	Other comprehensive income for the year 2023	-	-	-	-	-	-	236	-	236
D5	Total comprehensive income for the year 2023	-	-	-	-	-	( 24,624)	236	-	( 24,388)
L1	Treasury Stocks Repurchase	-	-	-	-	-	-	-	( 9,450)	( 9,450)
Z1	Balance as of December 31, 2023	54,817	\$ 548,171	\$ 89,341	\$ 40,584	\$ 64,746	\$ 117,279	(\$ 64,510)	(\$ 9,450)	\$ 786,161

The accompanying notes form part of the parent company only financial statements.

Chairman: Huang, Nan-yuan



Managerial Officer: Chuang, Ya-Ping



Accounting supervisor: Yang, Su-Huan



  
 Xu Yuan Packaging Technology Co., Ltd.  
 Parent Company Only Statement of Cash Flows  
 From January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code		Year 2023	2022
	Cash flow from operating activities		
A10000	Net profit (loss) before tax for the current year	(\$ 24,131)	\$ 486,666
A20000	Income and expenses items:		
A20100	Depreciation expense	77,898	64,482
A20200	Amortized expenses	985	1,052
A20900	Financial cost	15,386	14,227
A21200	Income from interest	( 6,458)	( 340)
A22400	Share of profit and loss of subsidiaries and associates accounted for using the equity method	( 7,953)	( 15,248)
A22500	Gain on disposal of property, plant and equipment	( 700)	( 3,014)
A23000	Gains on disposal of non-current assets to be sold	-	( 541,195)
A23700	Inventory write-down and reversal of impairment losses	-	( 2,498)
A23900	Realized gross profit from sales with subsidiaries and affiliates	( 2,935)	( 4,696)
A24100	Net gain (loss) on foreign currency exchange	( 439)	( 3,489)
A30000	Net changes in operating assets and liabilities		
A31130	Notes and accounts receivable	5,135	15,060
A31140	Accounts receivable - related parties	846	1,831
A31190	Other receivables - related parties	51,822	15,353
A31200	Inventory	( 4,132)	26,224
A31240	Other current assets	( 6,991)	4,684
A32125	Contract liabilities	( 651)	( 8,585)
A32130	Notes payable	13,848	11,417
A32150	Accounts payable	( 11,941)	( 56,863)
A32160	Accounts payable - related parties	471	( 699)
A32230	Other payables and other current liabilities	( 20,624)	64,999
A33000	Cash inflow from operations	79,436	69,368
A33300	Interest paid	( 368)	-
A33500	Payment of income tax	( 55)	( 11,493)
AAAA	Net cash inflow from operating activities	<u>79,013</u>	<u>57,875</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	( 153,473)	-
B00050	Disposal of financial assets measured at amortized cost	39,923	20,502

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Code		Year 2023	2022
B02600	Proceeds from disposal of non-current assets held for sale	\$ -	\$ 827,773
B02700	Acquisition of property, plant and equipment	( 44,545 )	( 49,006 )
B02800	Proceeds from disposal of property, plant, and equipment	700	5,799
B03800	Decrease in refundable deposits	2,201	2,126
B04500	Acquisition of intangible assets	-	( 289 )
B07100	Increase in prepaid equipment purchase	( 21,890 )	( 8,531 )
B07500	Interest received	3,415	340
B07600	Collection of dividends from affiliates	<u>9,239</u>	<u>-</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>( 164,430 )</u>	<u>798,714</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	231,594	177,364
C00200	Decrease in short-term borrowings	( 58,239 )	( 239,073 )
C01600	Proceeds from long-term debt	-	-
C01700	Repayments of long-term debt	( 81,802 )	( 768,000 )
C03100	Decrease in guarantee deposits	-	( 1,335 )
C04020	Repayments of principal portion of lease liabilities	( 9,424 )	( 11,029 )
C04500	Distribution of cash dividends	( 54,817 )	-
C04900	Cost of repurchase of treasury shares	( 9,450 )	-
C05600	Interest paid	<u>( 14,043 )</u>	<u>( 16,087 )</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>3,819</u>	<u>( 858,160 )</u>
DDDD	Effect of exchange rate changes on cash	<u>( 53 )</u>	<u>339</u>
EEEE	Net decrease in cash	( 81,651 )	( 1,232 )
E00100	Beginning cash balance	<u>126,678</u>	<u>127,910</u>
E00200	Ending cash balance	<u>\$ 45,027</u>	<u>\$ 126,678</u>

The accompanying notes form part of the parent company only financial statements.

Chairman: Huang, Nan-yuan    Managerial Officer: Chuang, Ya-Ping    Accounting supervisor: Yang, Su-Huan



## **Independent Auditors' Report**

To: Xu Yuan Packaging Technology Co., Ltd.

### **Audit opinion**

We have audited the accompanying consolidated financial statements of Xu Yuan Packaging Technology Co., Ltd. and subsidiaries, which comprise of the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Xu Yuan Packaging Technology Co., Ltd. and subsidiaries as of December 31, 2023 and 2022, and the results of their operations and cash flows for the periods then ended, in accordance with the financial reporting standards for issuers of securities as well as the International Financial Reporting Standards, interpretations and amendments issued and approved by the Financial Supervisory Commission.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries 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 we have acquired sufficient and appropriate audit evidence to serve as the basis for our audit opinion.

### **Key audit matters**

The key audit matters refer to those matters that, in the auditor's professional judgment, were of most significance in the audit of the consolidated financial statements of XU YUAN PACKAGING TECHNOLOGY CO., LTD. and its subsidiaries for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for XU YUAN PACKAGING TECHNOLOGY CO., LTD. and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### Revenue recognition

The main source of income of Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries is the sales of printed labels and sleeve (stick) labeling machines. For the relevant information on sales revenue, please refer to the consolidated financial statements, Note 4 and 21. In our assessment of the sales revenue to specific customers with significant growth in the current year, we recognize the revenue as a key audit matter for the current year.

We have considered the customer account management policy and revenue recognition process of Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries, evaluated the reasonableness of its control procedures and have also implemented the following audit procedures:

1. Understand the Company's internal control system and operating procedures for the sale and transaction cycle, so as to evaluate the effectiveness of internal control operation design and implementation.
2. Random sampling checks of the sales revenue statements is taken from the sales counterparties that may be subject to the risks described above, as well as documents such as customer orders, delivery notes, customer receipts and invoices are examined to verify whether the transactions actually occurred, and examine whether the subsequent payment collection from the sales counterparties is abnormal.

#### Other Matters

XU YUAN PACKAGING TECHNOLOGY CO., LTD. has prepared the parent company only financial statements for the years ended December 31, 2023 and 2022 , for which we have issued an Independent Auditors' Report with unqualified 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 Regulation Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, IFRIC, and SIC that came into effect and endorsed by the Financial Supervisory Commission (FSC) of the Republic of China, 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 consolidated financial statements, the management is responsible for assessing Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries' 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 Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries, 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 Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries' financial reporting process.

#### Auditor's 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 auditing standards accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may result from fraud or error. Misstatements are considered material, individually or in aggregate, that could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

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 to express an opinion on the effectiveness of Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Draw conclusions 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 Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries' 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 Xu Yuan Packaging Technology Co., Ltd. and its subsidiaries to have to cease operations.

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. We obtained sufficient and appropriate audit evidence regarding the financial information or business activities of the Group to express an opinion on the consolidated 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 the Norms of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The auditor determined the key audit matters for the audit of the consolidated financial statements of XU YUAN PACKAGING TECHNOLOGY CO., LTD. and its subsidiaries for the year ended December 31, 2023, from matters communicated with those charged with governance. 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.

Deloitte Taiwan

CPA Hsin-Tung Lin

林 心 彤



CPA Ming-Hui Chen

陳 明 輝



Financial Supervisory Commission  
Approval Reference Number  
FSC Approval No. 1110348898

Securities and Futures Bureau Approval Reference  
Number  
Letter Ref. Tai-Cai-Zheng-VI No. 0930128050

March 7, 2024



  
 Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
 Consolidated balance sheet  
 December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2023		December 31, 2022		Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	<b>Current asset</b>						<b>Current liabilities</b>				
1100	Cash (Notes 4, 6, and 27)	\$ 88,799	5	\$ 199,646	10	2100	Short-term borrowings (Notes IV, XVI, XXVII and XXIX)	\$ 293,798	15	\$ 122,301	6
1136	Financial assets measured at amortized cost (Notes 4, 6, 27, and 29)	135,001	7	617	-	2130	Contract liabilities - Current (Note XXI)	8,451	-	9,521	-
1170	Notes and accounts receivable - net (Notes 4, 5, 8, 21, 27, and 29)	295,469	15	301,909	15	2150	Notes payable (Note XVII and XXVII)	64,481	3	50,633	3
1180	Accounts receivable - related parties (Notes IV, V, XXVII and XXVIII)	5,022	-	5,690	-	2170	Accounts payable (Note XVII and XXVII)	103,412	5	118,827	6
1210	Other receivables - related party (Notes IV, XXVII and XXVIII)	8,871	-	5,976	-	2180	Accounts payable - related parties (Note XXVII and XXVIII)	597	-	339	-
1220	Current income tax assets (Notes IV and XXIII)	66	-	11	-	2230	Current income tax liabilities (Notes IV and XXIII)	122	-	27	-
130X	Inventories (Notes IV, V and IX)	321,061	16	323,216	17	2280	Lease liabilities - Current (Notes IV and XIII)	8,683	1	7,742	-
1479	Other current assets (Notes XV and XXVIII)	109,620	6	96,679	5	2322	Long-term borrowings due within one year (Notes IV, XVI, XXVII and XXIX)	440,442	22	93,561	5
11XX	Total current assets	<u>963,909</u>	<u>49</u>	<u>933,744</u>	<u>47</u>	2399	Other payables and other current liabilities (Note XVIII)	<u>72,793</u>	<u>4</u>	<u>94,068</u>	<u>5</u>
	<b>Non-current assets</b>					21XX	Total of current liabilities	<u>992,779</u>	<u>50</u>	<u>497,019</u>	<u>25</u>
1550	Investment under equity method (Notes IV and XI)	25,618	1	35,923	2		<b>Non-current liabilities</b>				
1600	Property, plant and equipment (Notes IV, XII, XXVIII and XXIX)	876,600	45	872,567	44	2540	Long-term borrowings (Notes IV, XVI, XXVII and XXIX)	33,671	2	469,515	24
1755	Right-of-use assets (Notes IV and XIII)	27,928	1	30,773	2	2580	Lease liabilities - Non-current (Notes IV and XIII)	15,045	1	17,696	1
1805	Goodwill (Note 4)	10,922	1	10,922	1	2670	Other non-current liabilities	<u>19,743</u>	<u>1</u>	<u>7,574</u>	<u>-</u>
1821	Intangible assets (Notes IV, XIV and XXVIII)	2,792	-	3,777	-	25XX	Total non-current liabilities	<u>68,459</u>	<u>4</u>	<u>494,785</u>	<u>25</u>
1840	Deferred income tax assets (Notes IV and XXIII)	7,696	-	8,189	-		<b>Total liabilities</b>	<u>1,061,238</u>	<u>54</u>	<u>991,804</u>	<u>50</u>
1915	Prepayment for equipment purchase	44,590	2	66,621	3	2XXX	Equity attributable to owners of the Company (Notes IV and XX)				
1920	Refundable deposits (Note IV and XXVII)	13,544	1	15,765	1	3110	Common stock/share capital	<u>548,171</u>	<u>28</u>	<u>548,171</u>	<u>28</u>
15XX	Total non-current assets	<u>1,009,690</u>	<u>51</u>	<u>1,044,537</u>	<u>53</u>	3200	Additional paid-in capital	<u>89,341</u>	<u>5</u>	<u>89,341</u>	<u>4</u>
							Retained earnings				
						3310	Legal reserve	40,584	2	15,774	1
						3320	Special reserves	64,746	3	38,179	2
							Undistributed earnings (losses to be compensated)	<u>117,279</u>	<u>6</u>	<u>248,097</u>	<u>12</u>
						3300	Total retained earnings	<u>222,609</u>	<u>11</u>	<u>302,050</u>	<u>15</u>
						3400	Other equity	<u>(64,510)</u>	<u>(3)</u>	<u>(64,746)</u>	<u>(3)</u>
						3500	Treasury shares	<u>(9,450)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
						31XX	Total equity of the Company	786,161	40	874,816	44
						36XX	Non-controlling interests (Notes X and XX)	<u>126,200</u>	<u>6</u>	<u>111,661</u>	<u>6</u>
						3XXX	Total equity	<u>912,361</u>	<u>46</u>	<u>986,477</u>	<u>50</u>
1XXX	Total assets	<u>\$ 1,973,599</u>	<u>100</u>	<u>\$ 1,978,281</u>	<u>100</u>		Total liabilities and equity	<u>\$ 1,973,599</u>	<u>100</u>	<u>\$ 1,978,281</u>	<u>100</u>

The accompanying notes form part of the consolidated financial statements.

Chairman: Huang, Nan-yuan



Managerial Officer: Chuang, Ya-Ping



Accounting supervisor: Yang, Su-Huan



  
 Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
 Consolidated Statements of Comprehensive Income  
 From January 1 to December 31, 2023 and 2022

Unit: NT\$1,000, except for earnings (losses) per share at NT\$1

Code		Year 2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes IV, XXI and XXVIII)	\$ 1,179,393	100	\$ 1,269,863	100
5000	Operating cost (Notes IX, XXII and XXVIII)	( 979,362)	( 83)	( 1,124,876)	( 88)
5900	Gross profit	200,031	17	144,987	12
5920	(Unrealized) sales gains	( 1,045)	-	2,455	-
5950	Realized gross profit	198,986	17	147,442	12
	Operating expenses (Notes XXII and XXVIII)				
6100	Sales and marketing expenses	( 70,485)	( 6)	( 79,847)	( 6)
6200	Administrative expenses	( 121,301)	( 10)	( 138,679)	( 11)
6300	R&D expenses	( 8,420)	( 1)	( 8,110)	( 1)
6450	Expected credit impairment (loss) reversal gain	( 18)	-	53	-
6000	Total operating expenses	( 200,224)	( 17)	( 226,583)	( 18)
6900	Net operating loss	( 1,238)	-	( 79,141)	( 6)
	Non-operating income and expense				
7100	Interest revenue (Notes XXII)	8,080	1	1,276	-
7010	Other income (Notes XXII, XXV and XXVIII)	-	-	5,006	-
7020	Other gains and losses (Notes IV, XII, XXII and XXVIII)	11,888	1	600,037	47
7050	Finance cost (Notes IV and XXII)	( 27,015)	( 2)	( 18,791)	( 1)
7060	Share of profit and loss of associates accounted for using the equity method (Notes IV and XI)	2,380	-	2,521	-
7000	Total non-operating income and expenses	( 4,667)	-	590,049	46

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Code		Year 2023		2022	
		Amount	%	Amount	%
7900	Net profit (loss) before tax	(\$ 5,905)	-	\$ 510,908	40
7950	Income tax expenses (Notes IV and XXIII)	( 6,395)	( 1)	( 19,501)	( 1)
8200	Net profit (loss) of the year	( 12,300)	( 1)	491,407	39
	Other comprehensive income				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange difference on translation of the financial statements of foreign operations (Notes IV and XX)	2,451	-	5,038	-
8500	Total comprehensive income for the year	(\$ 9,849)	( 1)	\$ 496,445	39
	Net profit (loss) attributable to:				
8610	Owners of the Company	(\$ 24,624)	( 2)	\$ 475,150	38
8620	Non-controlling interests	12,324	1	16,257	1
8600		(\$ 12,300)	( 1)	\$ 491,407	39
	Total comprehensive income attributable to:				
8710	Owners of the Company	(\$ 24,388)	( 2)	\$ 479,565	38
8720	Non-controlling interests	14,539	1	16,880	1
8700		(\$ 9,849)	( 1)	\$ 496,445	39
	Earnings (losses) per share				
	(Note 24)				
9750	Basic	(\$ 0.45)		\$ 8.67	
9850	Diluted	(\$ 0.45)		\$ 8.50	

The accompanying notes form part of the consolidated financial statements.

Chairman: Huang, Nan-yuan Managerial Officer: Chuang, Ya-Ping Accounting supervisor: Yang, Su-Huan



  
 Xu Yuan Packaging Technology Co., Ltd. and subsidiaries  
 Consolidated Statement of Changes in Equity  
 From January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Equity attributable to owners of the Company

Code		Common stock/share capital		Additional paid-in capital	Retained earnings			Other items of equity	Treasury shares	Total	Non-controlling interests	Total equity
		Shares (In Thousand)	Amount		Legal reserve	Special reserves	(Losses to be compensated)	Exchange difference on translation of financial statements of foreign operations				
A1	Balance as of January 1, 2022	54,817	\$ 548,171	\$ 89,341	\$ 15,774	\$ 38,179	(\$ 227,053)	(\$ 69,161)	\$ -	\$ 395,251	\$ 94,781	\$ 490,032
D1	2022 Net profit	-	-	-	-	-	475,150	-	-	475,150	16,257	491,407
D3	2022 Other comprehensive income	-	-	-	-	-	-	4,415	-	4,415	623	5,038
D5	2022 Total comprehensive income	-	-	-	-	-	475,150	4,415	-	479,565	16,880	496,445
Z1	Balance as of December 31, 2022	54,817	548,171	89,341	15,774	38,179	248,097	( 64,746)	-	874,816	111,661	986,477
	Allocation and distribution of profits for the year 2022											
B1	Appropriation of legal reserve	-	-	-	24,810	-	( 24,810)	-	-	-	-	-
B3	Appropriation to special reserve	-	-	-	-	26,567	( 26,567)	-	-	-	-	-
B5	Cash Dividends to Shareholders of the Company	-	-	-	-	-	( 54,817)	-	-	( 54,817)	-	( 54,817)
D1	Net (Loss) Profit for the Year 2023	-	-	-	-	-	( 24,624)	-	-	( 24,624)	12,324	( 12,300)
D3	Other comprehensive income for the year 2023	-	-	-	-	-	-	236	-	236	2,215	2,451
D5	Total comprehensive income for the year 2023	-	-	-	-	-	( 24,624)	236	-	( 24,388)	14,539	( 9,849)
L1	Treasury Stocks Repurchase	-	-	-	-	-	-	-	( 9,450)	( 9,450)	-	( 9,450)
Z1	Balance as of December 31, 2023	54,817	\$ 548,171	\$ 89,341	\$ 40,584	\$ 64,746	\$ 117,279	(\$ 64,510)	(\$ 9,450)	\$ 786,161	\$ 126,200	\$ 912,361

The accompanying notes form part of the consolidated financial statements.

Chairman: Huang, Nan-yuan



Managerial Officer: Chuang, Ya-Ping



Accounting supervisor: Yang, Su-Huan



Xu Yuan Packaging Technology Co., Ltd. and subsidiaries

Consolidated Statement of Cash Flow

From January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code		Year 2023	2022
	Cash flow from operating activities		
A10000	Net profit (loss) before tax for the current year	(\$ 5,905)	\$ 510,908
A20000	Income and expenses items:		
A20100	Depreciation expense	115,153	98,996
A20200	Amortized expenses	985	1,052
A20300	Expected credit loss (reversal of loss)	18	( 53)
A20900	Financial cost	27,015	18,791
A21200	Income from interest	( 8,080)	( 1,276)
A22300	Share of profit and loss of associates accounted for using the equity method	( 2,380)	( 2,521)
A22500	Gains (losses) from the disposal of property, plant and equipment	6,491	( 3,023)
A22600	Impairment losses of property, plant and equipment	-	2,347
A23000	Gains on disposal of non-current assets to be sold	-	( 541,195)
A23700	Inventory devaluation and obsolescence losses	-	6,349
A23900	Intercompany Unrealized (Realized) Sales Profit	1,045	( 2,455)
A24100	Net (gain) loss on foreign currency exchange	( 2,002)	1,011
A29900	Lease modification gain	-	( 9)
A30000	Net changes in operating assets and liabilities		
A31130	Notes and accounts receivable	7,260	43,413
A31140	Accounts receivable - related parties	1,727	( 2,390)
A31190	Other receivables - related parties	( 2,895)	5,099
A31200	Inventory	2,155	12,636
A31240	Other current assets	( 15,318)	( 37,787)
A32125	Contract liabilities	( 1,070)	( 12,373)
A32130	Notes payable	13,848	6,319
A32150	Accounts payable	( 15,410)	( 37,070)
A32160	Accounts payable - related parties	83	( 390)
A32230	Other payables and other current liabilities	( 9,843)	66,284
A33000	Cash inflow from operations	112,877	132,663
A33300	Interest paid	( 431)	-
A33500	Income tax paid	( 5,862)	( 19,640)
AAAA	Net cash inflow from operating activities	<u>106,584</u>	<u>113,023</u>

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Code		Year 2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 173,898)	\$ -
B00050	Disposal of financial assets measured at amortized cost	39,923	22,180
B02600	Proceeds from disposal of non-current assets held for sale	-	827,773
B02700	Acquisition of property, plant and equipment	( 63,619)	( 64,312)
B02800	Proceeds from disposal of property, plant, and equipment	6,528	6,529
B03800	Decrease in refundable deposits	2,221	1,935
B04500	Acquisition of intangible assets	-	( 289)
B07100	Increase in prepaid equipment purchase	( 19,159)	( 9,214)
B07500	Interest received	5,037	1,276
B07600	Collection of dividends from affiliates	<u>9,239</u>	<u>-</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>( 193,728)</u>	<u>785,878</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	234,736	187,364
C00200	Decrease in short-term borrowings	( 63,239)	( 249,073)
C01600	Proceeds from long-term debt	5,187	45,165
C01700	Repayments of long-term debt	( 94,704)	( 804,767)
C03100	Decrease in guarantee deposits	-	( 1,335)
C04020	Repayments of principal portion of lease liabilities	( 10,388)	( 11,586)
C04500	Distribution of cash dividends	( 54,817)	-
C04900	Cost of repurchase of treasury shares	( 9,450)	-
C05600	Interest paid	<u>( 25,606)</u>	<u>( 20,615)</u>
CCCC	Net cash outflow from financing activities	<u>( 18,281)</u>	<u>( 854,847)</u>
DDDD	Effect of exchange rate changes on cash	<u>( 5,422)</u>	<u>( 7,999)</u>
EEEE	Net (decrease) increase in cash	( 110,847)	36,055
E00100	Beginning cash balance	<u>199,646</u>	<u>163,591</u>
E00200	Ending cash balance	<u>\$ 88,799</u>	<u>\$ 199,646</u>

The accompanying notes form part of the consolidated financial statements.

Chairman: Huang, Nan-yuan    Managerial Officer: Chuang, Ya-Ping    Accounting supervisor: Yang, Su-Huan



  
 Xu Yuan Packaging Technology Co., Ltd.

Deficit Compensation Statement for Year 2023

Unit: New Taiwan Dollars

Items	Amount	
	Subtotal	Total
Beginning retained earnings		141,902,969
Adjustment to initial undistributed earnings	475,149,512	141,902,969
Add: Net profit (loss) after tax for the year	(24,623,769)	
Less: Provision of legal reserves		
Less: Provision of special reserves		(24,623,769)
Distributable earnings		117,279,200
Undistributed earnings at the end of the period		117,279,200

Chairman: Nan-Yuan Huang    President: Ya-Ping Chuang    Accounting officer By: Su-Huan, Yang



### Comparison Table of Amendments to the "Articles of Incorporation"

Amended articles	Current articles	Description
<p>Article 16 The Company shall appoint 7 to <u>12</u> Directors. The election of directors adopts the candidate nomination system. Directors shall be elected by the Shareholders' Meeting from among the candidates list with a term of 3 years and shall be eligible for re-election. After the Company's shares are publicly traded, the shares held by all of the Directors shall not be less than a certain percentage of the total number of issued shares of the Company, and the percentage shall comply with the regulations of the competent authority.</p> <p>In accordance with Article 14-2 of the Securities and Exchange Act, among the directors of the Company referred to above, the number of independent directors shall not be less than three, and shall constitute no less than one fifth of the total number of directors. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for independent directors shall be handled in accordance with the relevant regulations of the competent securities authority. The director election shall be held in accordance with Article 198 of the Company Act.</p> <p>Independent directors and non-independent directors shall be elected at the same time and the number of elected directors shall be counted separately.</p> <p>Candidates winning votes with the most voting rights are elected as the independent</p>	<p>Article 16 The Company shall appoint 7 to 9 Directors. The election of directors adopts the candidate nomination system. Directors shall be elected by the Shareholders' Meeting from among the candidates list with a term of 3 years and shall be eligible for re-election. After the Company's shares are publicly traded, the shares held by all of the Directors shall not be less than a certain percentage of the total number of issued shares of the Company, and the percentage shall comply with the regulations of the competent authority.</p> <p>In accordance with Article 14-2 of the Securities and Exchange Act, among the directors of the Company referred to above, the number of independent directors shall not be less than three, and shall constitute no less than one fifth of the total number of directors. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for independent directors shall be handled in accordance with the relevant regulations of the competent securities authority. The director election shall be held in accordance with Article 198 of the Company Act.</p> <p>Independent directors and non-independent directors shall be elected at the same time and the number of elected directors shall be counted separately.</p> <p>Candidates winning votes with the most voting rights are elected as the independent</p>	<p>According to the Letter Zheng-Gui-Jien-Zi No. 1120200264, for listed companies where the Chairman and General Manager are spouses, at least 4 independent directors must be added. This is to be completed by December 31, 2025, amending the company's articles of association regarding the number of directors.</p>



<p>directors and non-independent directors.</p> <p>The Company may, in accordance with Article 14-4 of the Securities and Exchange Act, appoint an Audit Committee to be formed by all directors, and the Committee or committee members shall be responsible for performing duties under the Company Act, the Securities and Exchange Act, and other laws and regulations.</p>	<p>directors and non-independent directors.</p> <p>The Company may, in accordance with Article 14-4 of the Securities and Exchange Act, appoint an Audit Committee to be formed by all directors, and the Committee or committee members shall be responsible for performing duties under the Company Act, the Securities and Exchange Act, and other laws and regulations.</p>	
<p>Article 27</p> <p>The Company may convene shareholders' meetings by videoconference. The procedures and other matters to be complied with shall be conducted in accordance with the relevant laws, regulations, and the requirements of the securities authorities.</p> <p>A shareholder participating in a meeting via video conference shall be deemed to have attended the meeting in person. For the Company to convene a video conference shareholders' meeting, it shall require a resolution passed by a majority of the directors in attendance, with at least two-thirds of the Board of Directors present.</p>		<p>This provision adds the video conference option for shareholders' meetings (Article 172-2), and the Articles of Incorporation may stipulate that the shareholders' meeting may be conducted via video conference or other methods as announced by the competent authority.</p>
<p>Article 28</p>	<p>Article 27</p>	<p>The order is adjusted to accommodate the newly added provisions.</p>
<p>Article 29</p>	<p>Article 28</p>	<p>The order is adjusted to accommodate the newly added provisions.</p>

**Comparison Table of Amendments to the  
"Shareholder Meeting Operation and Management Procedures"**

Amended name	Current name	Description
Rules and Procedures of Shareholders' Meeting	Rules of Procedure for Shareholders' Meeting	The amended rules are synchronized with the competent authority
Amended articles	Current articles	Description
<p>Article 3 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. <u>The Company convening a shareholders' meeting via videoconference shall be stated in the Articles of Incorporation and resolved by the Board of Directors, and the videoconference shall be attended by at least two-thirds of the Board of Directors. A resolution is passed with the consent of a majority of the Directors.</u> <u>Changes to the method of convening a shareholders' meeting of the Company shall be subject to a resolution of the Board of Directors, and no later than the dispatch of the notice of the shareholders' meeting.</u> Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, supervisors, and other agenda items along with explanatory materials and transmit them to the Market Observation Post</p>	<p>Article 3 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, supervisors, and other agenda items along with explanatory materials and transmit them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting handbook and supplementary materials and</p>	<p>I. In order for the shareholders to be informed of the change of the method of the shareholders' meeting, the change of the method of the shareholders' meeting shall be subject to a resolution of the Board of Directors and no later than the dispatch of the shareholders' meeting notice.</p> <p>II. According to Article 6 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies amended and issued on December 16, 2021, for listed and over-the-counter listed companies whose paid-in capital reaches or exceeds NT\$10 billion as of the end of the most recent fiscal year or whose total foreign and Mainland China shareholders' holding ratio reaches or exceeds 30% as recorded in the shareholder registry of the most recent fiscal year's ordinary shareholders' meeting, in order for</p>

<p>System (MOPS). Twenty-one days before a company is to convene a regular shareholders' meeting, or 15 days before it convenes a special shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the TWSE. However, in the case of the Company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held. Fifteen days prior to the shareholders' meeting, the Company shall have the annual shareholders' meeting handbook and supplementary materials ready for shareholders to access at any time. These materials shall also be displayed at the Company's premises and at the professional share registration agent appointed by the Company.</p> <p><u>The meeting handbook and supplementary materials referred to in the preceding paragraph shall be made available to the shareholders for reference by the Company on the day of the shareholders' meeting in the following manners:</u></p> <p>I. <u>When a physical shareholders' meeting is convened, they shall be distributed on-site at the</u></p>	<p>make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed on the Company premises and at its professional shareholder service agency <u>and shall be distributed onsite at the shareholders' meeting.</u></p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in an electronic form. Election or dismissal of directors, supervisors, amendment to Articles of Incorporation, capital reduction, application for cessation of public offering, director's permission to engage in business activities, capitalization of retained earnings, capital reserve, company dissolution, merger, spin-off or Article 185-1 of the Company Act various matters referred to in subparagraph 26-1 and Article 43-6 of the Securities and Exchange Act; matters related to Article 56-1 and Article 60-2 of the Guidelines for the Handling of Issuance and Offering of Securities by Issuers shall be listed in the meeting agenda and explained in detail in the convening notice, and shall not be proposed as an ad hoc motion.</p> <p>The reasons for convening the shareholders' meeting have stated the full re-election of directors and supervisors, and the inauguration date. After the completion of the re-election at the shareholders' meeting,</p>	<p>foreign and Mainland China shareholders abroad to have early access to shareholder meeting-related information, the electronic files should be transmitted thirty days prior to the shareholders' meeting.</p> <p>III. In response to allowing publicly traded companies to convene shareholder meetings via video conferencing, companies have the option to convene shareholder meetings through physical gatherings and video conferencing. To facilitate shareholders' meetings, whether participating in physical shareholders' meetings or shareholders participating in the video, they can refer to the shareholders' Meeting Handbook and supplementary materials on the day of the shareholders' meeting.</p>
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<p><u>shareholders' meeting.</u></p> <p>II. <u>When a shareholder meeting is convened via video conference, it shall be distributed at the site of the shareholders' meeting and transmitted to the video conference platform as an electronic file.</u></p> <p>III. <u>When a shareholder meeting is held by video, the electronic file shall be transmitted to the video conference platform.</u></p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in an electronic form.</p> <p>Election or dismissal of directors, supervisors, amendment to Articles of Incorporation, capital reduction, application for cessation of public offering, director's permission to engage in business activities, capitalization of retained earnings, capital reserve, company dissolution, merger, spin-off or Article 185-1 of the Company Act various matters referred to in subparagraph 26-1 and Article 43-6 of the Securities and Exchange Act; matters related to Article 56-1 and Article 60-2 of the Guidelines for the Handling of Issuance and Offering of Securities by Issuers shall be listed in the meeting agenda and explained in detail in the convening notice, and shall not be proposed as an ad hoc motion.</p> <p>Where an election of all directors, supervisors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting,</p>	<p>the inauguration date may not be changed by extempore motion or in the same meeting.</p> <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may start no earlier than 9 a.m. or later than 3 p.m.</p> <p>The location and timing of the meeting should take into full consideration the opinions of independent directors.</p>	
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<p>such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.</p> <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may start no earlier than 9 a.m. or later than 3 p.m.</p> <p>Consideration shall be given to the opinions of the independent directors regarding the location and time. <u>When the Company convenes a videoconference shareholders' meeting, it is not subject to the venue restrictions mentioned in the preceding paragraph.</u></p>		
<p>Article 5</p> <p>Shareholders may issue a proxy form issued by the Company at each shareholders' meeting, specifying the scope of authorization, to authorize a proxy to attend the shareholders' meeting.</p> <p>Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.</p> <p>Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the</p>	<p>Article 5</p> <p>Shareholders may issue a proxy form issued by the Company at each shareholders' meeting, specifying the scope of authorization, to authorize a proxy to attend the shareholders' meeting.</p> <p>Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.</p> <p>Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall</p>	<p>If a shareholder appoints a proxy to attend the shareholders' meeting, and then the shareholder intends to attend the shareholders' meeting via video conferencing, they should provide a written notice to the Company to revoke the proxy no later than two days before the meeting after the proxy form has been delivered to the Company.</p>

<p>shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p> <p><u>After delivering the proxy form to the Company, if a shareholder intends to attend the shareholders' meeting via video conferencing, they should provide a written notice to the Company to revoke the proxy no later than two days before the meeting; if the revocation is made after the deadline, the voting rights exercised by the proxy shall prevail.</u></p>	<p>be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p>	
<p>Article 6 (Provisions for the Preparation of Shareholders' Meeting Related Documents) The Company shall specify in the meeting notice the time and place where the registration will be accepted <u>by shareholders, requesting parties and proxy (hereinafter referred to as "shareholders")</u> and other matters to be noted.</p> <p>The check-in time shall be at least 30 minutes before the commencement of the meeting; the check-in location shall be clearly marked and sufficient qualified personnel shall be assigned to handle the registration; <u>the video conference of the shareholders' meeting. The meeting platform will accept registrations for shareholders. Shareholders who have completed registrations shall be deemed to have attended the meeting in person.</u></p> <p><u>Shareholders</u> shall attend the shareholders meeting with the attendance card, sign-in card or other attendance documents. The Company shall not arbitrarily add requirements for other supporting documents; the solicitor for the solicitation of</p>	<p>Article 6 (Preparation of Documents Relevant to the Shareholders' Meeting) The company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.</p> <p>The reporting time for shareholders' meetings referred to in the preceding paragraph shall be 30 minutes prior to the meeting start time. There should be clear signs at the reporting place with adequate staff assigned to handle the process.</p> <p>Shareholders or their proxies (hereinafter referred to as "shareholders") shall present the attendance card and sign-in card or other attendance documents, the Company shall not arbitrarily add requirements for other documents to prove the shareholders' attendance at a shareholders' meeting; the solicitation of proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with a sign-in book to sign, or</p>	<ol style="list-style-type: none"> <li>I. To specify the time and procedure for reporting shareholders attending the meeting via video conference.</li> <li>II. The stock short name is specified in Paragraph 1.</li> <li>III. Shareholders who intend to attend the shareholders' meeting by video conference shall register with the Company two days before the shareholders' meeting.</li> <li>IV. For shareholders attending the meeting by video, the Company shall upload the relevant information to the shareholders' meeting video conference platform, such as the Meeting Handbook and the annual report.</li> </ol>

<p>proxy forms shall also bring identification documents for future reference.</p> <p>The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall provide attending shareholders with the Meeting Handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, an election ballot shall be attached.</p> <p>When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</p> <p><u>If a shareholders meeting is convened by way of video conference, shareholders who wish to attend by way of video conference shall register with the Company two days before the shareholders meeting.</u></p> <p><u>If a shareholders' meeting is convened by video conference, the Company shall upload the Meeting Handbook, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and keep the disclosure until the end of the meeting.</u></p>	<p>attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall provide attending shareholders with the Meeting Handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, an election ballot shall be attached.</p> <p>When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting.</p> <p>When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</p>	
<p><u>Article 6-1 (Convening of a video conference of the shareholders' meeting and matters to be included in the notice of the convening)</u>  <u>The Company shall specify the following in the shareholder</u></p>		<p>I. This Article is newly added.</p> <p>II. In order for shareholders to be aware of the rights and restrictions on participating in the shareholders' meeting</p>

<p><u>meeting notice when convening a shareholder meeting via videoconference:</u></p> <p>I. <u>Methods for shareholders to participate in video conferences and exercise their rights.</u></p> <p>II. <u>Handling of obstacles to the video conference platform or participation in video conferences due to natural disasters, accidents or other force majeure events, including at least the following:</u></p> <p>(I) <u>The time when the preceding obstacles continue to be excluded and it is necessary to postpone or continue the meeting, and if it is necessary to postpone or continue the meeting.</u></p> <p>(II) <u>Shareholders who participate in the original shareholders' meeting by video conference without registration shall not be allowed to participate in the adjourned or continued meeting.</u></p> <p>(III) <u>If the video conference cannot be held, the total number of shares represented by shareholders meeting by video conference after deducting the number of shares attending the video conference and the total number of shares represented by shareholders meeting by convention should be proceeded with video conference. Shareholders, the number of shares in attendance shall be counted in the total</u></p>		<p>before the shareholders' meeting, it is stipulated that the shareholders' meeting notice should include the shareholders' participation in the video conference and the method for exercising the relevant rights, the video conference platform caused by natural disasters, accidents or other force majeure situations and the report to the video conference platform or via video conference in the event of a failure, or how to deal with obstacles to participation in video conferences, which should at least include the date when the meeting needs to be postponed or continued, and how long the interruption occurs before the meeting should be postponed or continued, the provisions of Paragraphs 1, 2, 4, and 5, of the resolution of Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies, all motions that have been announced results but not the Extraordinary Motion, and the Shareholders who are in difficulty will be provided with appropriate alternative measures.</p>
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<p><u>number of shares of the shareholders present and it shall be deemed as their abstention on all proposals at the said general meeting.</u></p> <p>(IV)<u>The manner in which all motions have been announced but no Extraordinary Motion is carried out.</u></p> <p>III. <u>Convening of the shareholders' meeting by video conference, and specifying the appropriate alternatives for shareholders who have difficulty in participating in the shareholders' meeting by video.</u></p>		
<p>Article 8 (Audio or Video Recording of Shareholders' Meeting as Evidence) The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting, beginning with shareholders' sign-in, through the proceedings of the meeting, as well as the process of voting and vote counting. The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>If a shareholders' meeting is convened by videoconference, the Company shall keep records of shareholders' registration, registration, attendance, questioning, voting, and the Company's vote counting results, and the videoconference shall be audio and video recorded throughout the entire process.</u> <u>The information and audio recordings referred to in the</u></p>	<p>Article 8 (Memorization of the Shareholders' Meeting) The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting, beginning with shareholders' sign-in, through the proceedings of the meeting, as well as the process of voting and vote counting. The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>I. With reference to Article 183 of the Company Act and Article 18 of the Procedures for Board Meetings of Public Companies, it is expressly stated that the company shall keep records of shareholders' registration, registration, attendance, questions, voting and the company's vote counting results, and require the company to make uninterrupted audio and video of the entire process, and keep the audio and video properly during the company's existence, and provide the custody of the person entrusted with the video conference affairs.</p> <p>II. To preserve the video conferencing information as much as possible, in addition to the requirement in Paragraph 3 that the Company shall keep audio and video of the entire video</p>

<p><u>preceding paragraph shall be properly kept by the Company during the period of existence, and the audio and video recordings shall be provided to the entrusted person handling the video conference affairs for their preservation.</u>  <u>If the shareholders' meeting is convened by video conference, the Company shall record the audio and video of the back-end operation interface of the video conference platform.</u></p>		<p>conferencing uninterrupted, it is advisable to make audio and video recordings of the back-end interface, as synchronous video recording requires a certain level of computer software and hardware equipment and information security, the Company may define the feasibility of the equipment conditions in its "Rules and Procedures of Shareholders' Meeting".</p>
<p>Article 9  Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares represented by the shareholders attending the meeting shall be calculated based on the number of shares represented by the sign-in book or hand-in cards <u>and the number of shares represented by the video conferencing platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronic means.  The chair shall call the meeting to order at the appointed meeting time, and at the same time announce the number of non-voting shares and the number of shares attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the shareholders' meeting is not attended by the number of shareholders representing one-third or more of the total number of issued shares after two</p>	<p>Article 9  Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by in the sign-in log book or the sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.  The chair shall call the meeting to order at the appointed meeting time, and at the same time announce the number of non-voting shares and the number of shares attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued</p>	<p>I. In order to specify the time of shareholders' meeting by video conference, the number of shares registered by shareholders should be added to the total number of shares registered by video conference.  II. If the Company's shareholders' meeting is held by way of video conference, if the chairman announces that the meeting will be suspended, the Company shall announce the cancellation of the shareholders' meeting video conference platform to notify shareholders immediately.  III. If the Company decides to convene a separate shareholders' meeting, and shareholders wish to attend by way of video conference, they shall register with the Company and amend Paragraph 4.</p>

<p>postponements, the chair <u>shall announce the meeting in order</u>. If the quorum is still not met after the postponement mentioned in the preceding paragraph for the second time, and when shareholders representing more than one-third of the total issued shares have attended, the Company may, in accordance with Article 175, Paragraph 1 of the Company Act, make a fictitious resolution and notify all shareholders to convene another shareholders' meeting within one month. <u>For shareholders' meetings held via video conferencing, shareholders who intend to attend via video conferencing should re-register with the company in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	<p>shares, the chair shall declare the meeting is adjourned. If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	
<p>Article 11 (Speech by Shareholders) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number or attendance card number, and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the</p>	<p>Article 11 (Speech by Shareholders) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number or attendance card number, and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Except with the consent of</p>	<p>I. To specify the method, procedures and restrictions for shareholders who participate in the shareholders' meeting by video. II. In order to help other shareholders understand the content of their questions, the Company may screen the questions that are not related to various issues of the Shareholders' Meeting, and the remaining questions may be disclosed on the video platform.</p>

<p>same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. When an institutional 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 direct relevant personnel to respond. If the question asked in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advised to disclose the question on the shareholders' meeting video conference platform for everyone to know. <u>If a shareholders' meeting is convened by videoconference, shareholders participating by way of videoconference may ask questions in writing on the video conference platform of the shareholders' meeting after the chair declares the meeting to order. Each question may not be asked more than twice for each proposal. It is limited to 200 words, and the provisions of paragraphs 1 to 5 do not apply.</u></p>	<p>the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. When an institutional 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 direct relevant personnel to respond. If the question asked in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advised to disclose the question on the shareholders' meeting video conference platform for everyone to know.</p>	
<p>Article 12 Votes cast at shareholders' meetings shall be calculated based on numbers of shares. Each shareholder shall have one vote per share except for the</p>	<p>Article 12 Votes cast at shareholders' meetings shall be calculated based on numbers of shares. Each shareholder shall have one vote per share except for</p>	<p>I. In order to clarify that shareholders who wish to attend the shareholders' meeting by video communication after they have exercised</p>

<p>restricted shares or non-voting shares specified in Article 179, paragraph 2 of the Company Act.</p> <p>When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, However, the shareholder shall be deemed a waiver of voting rights in respect of any Extraordinary Motion and amendment to the original proposal.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights in writing or electronically, if he/she <u>intends to attend the shareholders' meeting in person or via videoconference</u>, he/she shall express his/her intent to rescind the aforementioned exercise of the voting right in the same manner as for the exercise of the voting right two days prior to the scheduled date of the meeting. or electronically. If the</p>	<p>the restricted shares or non-voting shares specified in Article 179, paragraph 2 of the Company Act.</p> <p>When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, However, the shareholder shall be deemed a waiver of voting rights in respect of any Extraordinary Motion and amendment to the original proposal.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>In case a shareholder who has exercised their voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, they shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in</p>	<p>their voting rights in writing or electronically should first cancel the exercise in the same manner as the exercise of voting rights.</p> <p>II. If a shareholders meeting is convened by videoconference, in order to give shareholders participating by videoconference sufficient time to cast their votes, they may cast their votes on the original proposals from the time the meeting is announced to the close of voting and the votes will be counted. The vote counting process shall be conducted in a one-off manner at the same time as the voting time of shareholders participating in the video.</p> <p>III. Shareholders who participate in a video-assisted shareholders' meeting and have registered to attend via video conferencing, if they wish to change to attending the physical shareholders' meeting in person, should withdraw their registration in the same manner as the registration process, no later than two days before the shareholders' meeting. Failure to withdraw before the deadline means they may only participate in the shareholders' meeting via video conferencing.</p> <p>IV. Referring to the regulations stipulated in the letter from the</p>
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<p>shareholder exercises their voting rights in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting rights exercised by the attending proxy at the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the chair or the person designated by the chair shall announce the total number of voting rights of the attending shareholders on each proposal, and then the shareholders shall vote on each proposal.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.</p> <p>Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.</p> <p>Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting.</p> <p>Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded.</p> <p><u>Shareholders attending the</u></p>	<p>exercising their voting power, serve a separate declaration of intention to rescind their previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. If the shareholder exercises their voting rights in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting rights exercised by the attending proxy at the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the chair or the person designated by the chair shall announce the total number of voting rights of the attending shareholders on each proposal, and then the shareholders shall vote on each proposal.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote.</p> <p>When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.</p> <p>Scrutineers and vote counting</p>	<p>Ministry of Economic Affairs, Letter No. 101010240470 and Letter No. 10102414350 issued on February 24, 2012, and May 3, 2012, respectively, it is provided that shareholders who exercise voting rights electronically and have not withdrawn their intent may not propose amendments to the original proposal nor exercise voting rights again. However, on the day of the shareholders' meeting, such shareholders may still attend the meeting and may propose Extraordinary Motion on the spot and exercise voting rights.</p> <p>Considering that both written and electronic voting are ways for shareholders to exercise their rights, based on the principle of fairness, written voting should also follow the spirit of the regulations for electronic voting to safeguard shareholder rights. Therefore, it is stipulated in Item 12 that shareholders who exercise voting rights in writing or electronically and have not withdrawn their intent may still register to participate in the shareholders' meeting via video conferencing. However, except for the Extraordinary Motion that can be proposed and voting rights exercised, no voting shall be conducted on the</p>
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<p><u>shareholders' meeting via video conference shall conduct the voting on various proposals and election proposals through the video conference platform after the chair has announced the meeting through video conference, and shall complete the voting on various proposals and election proposals before the chair announces the voting is closed, it will be deemed a waiver.</u></p> <p><u>If the shareholders' meeting is convened by video conference, the votes shall be counted in one lump sum and the voting and election results shall be announced after the chairperson announces the close of voting.</u></p> <p><u>When the Company convenes a video-assisted shareholders meeting, shareholders who have registered to attend the shareholders' meeting by way of video in accordance with Article 6 and wish to attend the physical shareholders' meeting in person shall cancel the registration in the same manner as for the registration two days before the meeting; If the revocation is made after the time limit, the shareholder may only attend the shareholders' meeting by way of video conference.</u></p> <p><u>A shareholder who exercises his/her right to vote by way of a written or electronic means without revoking his/her declaration of intent and participates in the shareholders' meeting by video conferencing shall not exercise its voting right on the original proposal, propose any amendment to the original proposal, or exercise voting rights on an amendment to the original proposal except for Extraordinary Motion.</u></p>	<p>personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.</p> <p>Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting.</p> <p>Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded.</p>	<p>original proposal or its amendments, and amendments to the original proposal shall not be proposed.</p>
<p>Article 14 Matters relating to the resolutions by a shareholders'</p>	<p>Article 14 Matters relating to the resolutions by a shareholders'</p>	<p>I. Paragraph 1 to 3 remain unchanged. II. To facilitate</p>

<p>meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. Said distribution may be announced through the MOPS. The minutes of the meeting should be accurately recorded with the date, month, year, location, name of the chairperson, method of decision-making, essential points of the proceedings, and the voting results (including the tally of votes). When electing directors or supervisors, the number of votes received by each candidate should be disclosed. The minutes shall be retained for the duration of the existence of the Company.</p> <p><u>For shareholders' meetings held via video conferencing, in addition to the matters required to be recorded as stipulated in the preceding paragraph, the minutes should also include the start and end times of the shareholders' meeting, the method of convening the meeting, the names of the chairperson and the recorder, as well as the handling methods and situations in the event of obstacles to the video conferencing platform or participation via video conferencing due to natural disasters, emergencies, or other force majeure circumstances. In addition to complying with the provisions in the preceding paragraph, the Company, when convening a video shareholders' meeting, shall also clearly state in the minutes the alternative measures provided for</u></p>	<p>meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. Said distribution may be announced through the MOPS.</p> <p>The minutes of the meeting should be accurately recorded with the date, month, year, location, name of the chairperson, method of decision-making, essential points of the proceedings, and the voting results (including the tally of votes). When electing directors or supervisors, the number of votes received by each candidate should be disclosed. The minutes shall be retained for the duration of the existence of the Company.</p>	<p>shareholders' understanding of the results of the video conference, alternative measures for shareholders with digital disparities, and the handling methods and situations in case of disconnection, the company is required, when producing the minutes of the shareholders' meeting, to record in addition to the matters stipulated in the third paragraph, the start and end times of the meeting, the method of convening the meeting, the names of the chairperson and the recorder, as well as the handling methods and situations in the event of obstacles to the video conferencing platform or participation via video conferencing due to natural disasters, emergencies, or other force majeure circumstances. Therefore, the fourth paragraph is added.</p> <p>III. If a video shareholders' meeting is convened, the convening notice must specify the appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting via video conferencing. Therefore, it is stipulated that the minutes should also clearly state the alternative measures provided for such shareholders with digital disparities. The fifth paragraph is added to</p>
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<p><u>shareholders who have difficulty participating in the shareholders' meeting via video conferencing.</u></p>		<p>address this.</p>
<p>Article 15 (Public announcement)  The number of shares solicited, the number of shares represented by proxies, and <u>the number of shares represented by shareholders attending in writing or electronically</u> shall be compiled into a statistical table in the prescribed format by the Company on the day of the shareholders' meeting for clear disclosure at the shareholders' meeting venue; <u>for shareholders' meetings held via video conferencing, the Company shall upload the aforementioned information to the video conferencing platform for the shareholders' meeting at least thirty minutes before the meeting begins, and continue to disclose it until the meeting ends.</u>  <u>When the Company convenes a shareholders' meeting via video conferencing, it should announce the total number of shares represented by attending shareholders at the beginning of the meeting and disclose it on the video conferencing platform. If there are additional statistics on the total number of shares represented by attending shareholders and the total voting rights during the meeting, they should also be disclosed.</u>  If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.</p>	<p>Article 15 (Public announcement)  During the shareholders' meeting, the Company shall disclose information on the number of shares acquired by proxy form acquirers and the number of shares represented by proxies using the prescribed format.  If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.</p>	<p>I. To enable shareholders to be informed of the number of shares solicited, the number of shares represented by proxies, and the number of shares represented by those attending in writing or electronically, the Company should clearly disclose this information at the shareholders' meeting venue. If the Company holds a video conference, it shall be uploaded to the shareholders' meeting video conference platform, and Paragraph 1 shall be amended.</p> <p>II. In order for the shareholders participating in the video conference of the shareholders' meeting to know at the same time whether the number of votes required for the shareholders' meeting to start the meeting, it is stipulated that the Company should disclose the total number of shares held by the shareholders present at the video conference platform when announcing the meeting in order. The total number of shares and voting rights of each shareholder shall be disclosed on the video conference platform. Therefore, Paragraph 2 shall be added.</p>
<p><u>Article 17 (Information Disclosure by Video</u></p>		<p>I. This Article is newly added.</p>

<p><u>Conferencing)</u>  <u>When the Company convenes a shareholders' meeting via video conferencing, the Company shall promptly disclose the voting results and election results of each proposal on the video conferencing platform after the voting ends, in accordance with the regulations. The Company should continue to disclose this information for at least fifteen minutes after the chairperson announces the adjournment of the meeting.</u></p>		<p>II. In order for shareholders participating in the shareholders' meeting via video conferencing to immediately know the voting status of each proposal and the election results, it is necessary to specify an adequate time for information disclosure. Therefore, this section is added.</p>
<p><u>Article XVIII</u>  <u>When the Company holds a video conference, the chairperson and the person taking minutes shall be at the same place in Taiwan. The chairperson shall announce the address of such place at the time of the meeting.</u></p>		<p>I. This Article is newly added.  II. When the shareholders' meeting is held via video conferencing and there is no physical meeting venue, the chairperson and the recorder should be at the same location in the country. In order for shareholders to know the location of the chairperson, the chairperson should announce the address of their location at the beginning of the meeting. Therefore, this section is added.</p>
<p><u>Article 19 (Handling of interruption)</u>  <u>If a shareholders' meeting is convened by video conference, the Company may provide a simple connection test to the shareholders before the meeting, and provide related services immediately before and during the meeting to assist with the resolution of communication technical problems.</u>  <u>When the shareholders' meeting is held via video conferencing, the chairperson should announce at the beginning of the meeting that, in addition to the circumstances specified in Article 44-20, Paragraph 4 of the</u></p>		<p>I. This Article is newly added.  II. To reduce communication issues during video conferences, and taking into account practices abroad, the Company may provide connection tests before the meeting and provide relevant services promptly before and during the meeting to assist in addressing technical communication issues. This is added as the first paragraph.  III. If a company holds a video conference of the</p>

<p><u>“Regulations Governing the Administration of Shareholder Services of Public Companies” where there is no need for postponement or continuation of the meeting, if there is a continuous disruption of more than thirty minutes due to natural disasters, emergencies, or other force majeure circumstances affecting the video conferencing platform or participation via video conferencing, the meeting should be postponed or continued within five days after the chairperson announces the adjournment. This provision does not apply to Article 182 of the Company Act.</u></p> <p><u>In the event of the aforementioned meeting that should be adjourned or adjourned, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the delayed or adjourned meeting. According to the provisions of the second paragraph, if the meeting is postponed or continued as required, shareholders who have registered to participate in the original shareholders' meeting via video conferencing and have completed the check-in process but did not participate in the postponed or continued meeting, their shares attended, voting rights exercised, and election rights used at the original shareholders' meeting should be included in the total shares attended, voting rights, and election rights of the shareholders attending the postponed or continued meeting. According to the provisions of the second paragraph, when handling the postponement or continuation of a shareholders'</u></p>		<p>shareholders' meeting, the chair shall announce at the meeting that if natural disasters, accidents or other force majeure events cause the platform of the video conference or the participation by video conference cannot be eliminated continuously for more than 30 minutes, a conference shall be held within five days or the continuation of the general meeting, the requirement of Article 182 of the Company Act, which requires a shareholders' meeting to be resolved, does not apply, therefore, Paragraph 2 is added. If the company, the video conference platform, shareholders, solicitors, or proxies are individually unable to convene or participate in video conferences intentionally or through negligence, they are not within the scope of this article.</p> <p>IV. When the Company encounters circumstances requiring the postponement or continuation of the meeting as stipulated in the second paragraph, in accordance with Article 44-20, paragraph 2 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders who did not register to participate in the original shareholders' meeting via video conferencing (including</p>
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<p><u>meeting, items for which voting and counting have been completed, and the results have been announced, or the list of elected directors or supervisors has been declared, do not need to be discussed and decided again.</u></p> <p><u>When the Company convenes a video-assisted shareholders' meeting and encounters circumstances in which the video conference cannot continue as stipulated in the second paragraph, if after deducting the shares attended via video conferencing, the total shares attended still meet the legal quorum for the shareholders' meeting, the meeting should proceed without the need to postpone or continue the meeting as stipulated in the second paragraph.</u></p> <p><u>If a shareholder participates in the shareholders' meeting by way of video conference on any matter that should be proceeded with the meeting in the preceding paragraph, the number of shares in attendance shall be counted in the total number of shares held by the shareholders in attendance, but the votes shall be deemed as their abstention on all proposals at the shareholders' meeting.</u></p> <p><u>When the Company postpones or continues the meeting in accordance with the provisions of the second paragraph, it should follow the procedures specified in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, including the relevant preparatory work according to the original shareholders' meeting date and the provisions of the respective articles.</u></p> <p><u>When a publicly issued company</u></p>		<p>solicitors and proxies) shall not participate in the postponed or continued meeting. Therefore, the third paragraph is added to comply with this. As for shareholders who originally participated in the physical shareholders' meeting and are attending the video-assisted shareholders' meeting, they may continue to participate in the postponed or continued meeting in person, with an explanation provided.</p> <p>V. When the Company is required to postpone or continue the meeting as stipulated in the second paragraph, in accordance with Article 44-20, paragraph 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders who have registered to participate in the original shareholders' meeting via video conferencing and have completed the check-in process but did not participate in the postponed or continued meeting (including solicitors and proxies) should have their shares attended, voting rights exercised, and election rights used at the original shareholders' meeting included in the total shares attended, voting rights, and election rights of the shareholders attending the postponed or continued meeting.</p>
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<p><u>uses the rules for attendance at shareholders' meetings using proxy forms as stipulated in Article 12, the latter part of the paragraph, and Article 13, paragraph 3, as well as Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1, of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company should conduct the shareholders' meeting for which the postponement or continuation is made in accordance with the provisions of the second paragraph.</u></p>		<p>Therefore, the fourth paragraph is added to comply with this.</p> <p>VI. In the event of communication obstacles preventing the continuation of the meeting, resulting in the need to postpone or continue the shareholders' meeting, items for which voting and counting have been completed at the previous meeting, and the results have been announced, or the list of elected directors or supervisors has been declared, may be considered as already decided and do not need to be discussed and decided again. This is established as the fifth paragraph to reduce the time and cost of the continued meeting.</p> <p>VII. In consideration of the fact that the shareholders' meeting may be held in person and via video conference at the same time, if the video conference platform is disabled due to force majeure or if participation in video conference becomes impeded, the shareholders meeting will still be held in person, deducting the number of shares attending the shareholders meeting via video conference. After the meeting has been approved, if the total number of shares in attendance still reaches the statutory quorum for a meeting of</p>
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		<p>shareholders, the shareholders' meeting shall proceed without the need for postponement or continuation of the meeting under the provisions of paragraph 2, and the establishment of paragraph 6 is therefore not required.</p> <p>VIII. When the Company encounters circumstances as described in the second paragraph, where the meeting should proceed without the need for postponement or continuation, in accordance with Article 44-20, paragraph 5 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders (including solicitors and proxies) participating in the shareholders' meeting via video conferencing should have their shares attended counted in the total shares attended by shareholders. However, their votes on all items of that shareholders' meeting are considered abstentions. Therefore, the seventh paragraph is added to comply with this.</p> <p>IX. The postponement or continuation of the meeting in consideration of the previously interrupted meeting and the originality of the shareholders' meeting, therefore, it is not necessary for the date of the shareholders' meeting to be postponed</p>
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		<p>or resumed in accordance with Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Item 7 shall be re-processed for the shareholders' meeting. Paragraph 8 shall be stipulated.</p> <p>X. Also, considering that the shareholders' meeting via video conferencing has been postponed, in accordance with the latter part of Article 12 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.</p>
<p><u>Article 20 (Handling of digital gap)</u>  <u>When the Company holds a shareholders meeting by video, it shall provide appropriate alternatives for shareholders who have difficulty in attending the meeting by video.</u></p>		<p>I. Newly added  II. When the Company holds a video conference, due to the digital gap, it may be a barrier for shareholders to participate in the shareholders' meeting by video. The Company should provide shareholders with an appropriate alternative, such as exercising their voting rights in writing or providing shareholders with the necessary equipment to participate in the meeting.</p>
<p><u>Article 21</u>  These Rules of Procedure shall take effect after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Article 17  These Rules of Procedure shall take effect after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>The order is adjusted to accommodate the newly added provisions.</p>

## Four. Appendix

### Appendix I

#### Xu Yuan Packaging Technology Co., Ltd. Rules of Procedure for Shareholders' Meeting

- 1 To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- 2 Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
- 3 The regulations for convening shareholders' meetings are as follows:
  - 3.1 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
  - 3.2 Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed on the Company premises and at its professional shareholder service agency, and shall be distributed onsite at the shareholders' meeting.
  - 3.3 The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in an electronic form.
  - 3.4 Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit



distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the Company Act hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions. Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting. The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to independent directors' opinions with respect to the place and time of the meeting.

4 The regulations governing proposals by shareholders at the shareholders' meeting are as follows:

4.1 A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. A shareholder proposal proposed under Paragraph One for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors.

4.2 Prior to the book closure date before an annual general meeting of shareholders is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

4.3 Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

4.4 Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and

shall list in the meeting notice the proposals that conform to the provisions of this article.

4.5 With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

5 The regulations governing the use of the Company's proxy forms for shareholders' meetings are as follows:

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

5.2 Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

5.3 Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

6 The preparation of documents related to the Company's shareholders' meeting is as follows:

6.1 The company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.

6.2 The reporting time for shareholders' meetings referred to in the preceding paragraph shall be 30 minutes prior to the meeting start time. There should be clear signs at the reporting place with adequate staff assigned to handle the process.

6.3 Shareholders themselves or the proxy appointed by the shareholder (hereinafter referred to as "shareholders") shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

6.5 The Company shall furnish attending shareholders with the meeting agenda handbook,

annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.

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

7 The regulations for the chairman of the shareholders' meeting and the non-voting participants in attendance are as follows:

7.1 If a 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 the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chair.

7.2 When a managing director or director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more and possess a great understanding of the Company's financial position and business conditions. The same shall apply for a representative of a institutional director to serve as the chair.

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

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

7.5 The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

8 The recording of the shareholders' meeting of the Company is described as follows:

8.1 The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting, beginning with shareholders' sign-in, through the proceedings of the meeting, as well as the process of voting and vote counting.

- 8.2 The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- 9 The regulations governing the calculation of the number of shares in attendance and the convening of the Company's shareholders' meetings are as follows:
- 9.1 Attendance at shareholders' meetings shall be counted based on numbers of shares.
- 9.2 The number of shares in attendance shall be calculated according to the shares indicated by in the sign-in log book or the sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- 9.3 The chair shall call the meeting to order at the scheduled meeting time. Also, the information of the shares with voting rights and without rights should be announced at the same time.
- 9.4 However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting is adjourned.
- 9.5 If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.
- 9.6 When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- 10 The agenda and discussion procedures of the Company's shareholders' meeting are as follows:
- 10.1 For shareholder meetings that are convened by the board of directors, the board of directors will determine the meeting agenda. All proposed motions (including special motions and amendments to existing motions) are to be resolved via voting. The agenda cannot be changed unless resolved during the shareholder meeting.
- 10.2 The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.
- 10.3 The chair may not declare the meeting adjourned prior to completion of deliberation on

the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting. 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, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

- 10.4 The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- 10.5 Shareholders may not elect another chair to continue the meeting at the original meeting place or at another place after the meeting was adjourned.

11 The regulations governing speeches in shareholders' meetings are as follows:

- 11.1 Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- 11.2 A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail.
- 11.3 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.
- 11.4 Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.
- 11.5 When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- 11.6 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

12 The voting rules of the Company's shareholders' meetings are as follows:

- 12.1 Votes cast at shareholders' meetings shall be calculated based on numbers of shares.
- 12.2 Each shareholder shall have one vote per share except for the restricted shares or non-

- voting shares specified in Article 179, paragraph 2 of the Company Act.
- 12.3 With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares. If a director has created a pledge on more than half of the company's shares they hold at the time they are elected, the voting rights of the excessive portion of shares shall not be exercised and the excessive portion of shares shall not be counted in the number of votes of shareholders present at the meeting.
- 12.4 When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted toward the number of the voting rights represented by attending shareholders.
- 12.5 With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of the issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.
- 12.6 When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, However, they are considered to have waived their rights to participate in any special motion or any amendment to the original motion that may arise during the shareholder meeting. For this reason, the Company shall avoid proposing special motions or amendments to the original motion where possible.
- 12.7 A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- 12.8 In case a shareholder who has exercised their voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, they shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the

same manner previously used in exercising their voting power, serve a separate declaration of intention to rescind their previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. If the shareholder exercises their voting rights in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting rights exercised by the attending proxy at the meeting shall prevail.

12.9 Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, the chairperson or delegate thereof shall announce the total number of voting rights represented by attending shareholders for every motion discussed and have the shareholders to vote. Details including the number of votes in favor, against, and abstained for each discussion shall be uploaded onto MOPS on the same day the shareholders' meeting ends.

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

12.11 Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.

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

13 The election rules of the Company's shareholders' meetings are as follows:

13.1 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and those who lost the election and the numbers of votes each candidate received.

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

- 14 The meeting minutes of the Company's shareholders' meetings are regulated as follows:
  - 14.1 Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
  - 14.2 Said distribution may be announced through the MOPS.
  - 14.3 The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.
  
- 15 The public announcement of the Company's shareholders' meetings are regulated as follows:
  - 15.1 During the shareholders' meeting, the Company shall disclose information on the number of shares acquired by proxy form acquirers and the number of shares represented by proxies using the prescribed format.
  - 15.2 If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.
  
- 16 The regulations on maintenance of order at the shareholders' meeting venue are as follows:
  - 16.1 Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.
  - 16.2 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "Proctor."
  - 16.3 At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
  - 16.4 When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
  - 16.5 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the



meeting will be resumed.

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

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

17 These Rules of Procedure shall take effect after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

## Xu Yuan Packaging Technology Co., Ltd. Articles of Incorporation

- Article 1 The Company is incorporated under the Company Act, under the name of "XU YUAN PACKAGING TECHNOLOGY CO., LTD."
- Article 2 The Company's business is as follows:
1. C805990 Other Plastic Products Manufacturing
  2. CB01010 Mechanical Equipment Manufacturing
  3. CQ01010 Mold and Die Manufacturing
  4. F107990 Wholesale of Other Chemical Products
  5. F113010 Wholesale of Machinery
  6. F206030 Retail Sale of Molds
  7. F207990 Retail Sale of Other Chemical Products
  8. F213080 Retail Sale of Machinery and Tools
  9. F401010 International Trade
  10. I501010 Product Designing
  11. F106030 Wholesale of Molds
  12. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company has its head office in Hsinchu County, Taiwan (R.O.C.). It may establish branch offices domestically and abroad by resolution of the Board of Directors where necessary.
- Article 4 The Company's announcement method shall be handled in accordance with the provisions of Article 28 of the Company Act.
- Article 5 The maximum amount of the Company's external reinvestment is not limited to 40% of the Company's paid-in capital.
- Article 6 Based on business needs, the Company may make external endorsements and guarantees and its regulations shall be resolved by the Board of Directors.
- Article 7 The total capital of the Company shall be NTD 650 million at 65,000,000 shares (including 1 million employee stock option shares) at NTD 10 per share. The board of directors are authorized to issue the unissued shares of the previous paragraph in installments.
- The recipients of transfer shares acquired by the Company, the subjects of employee stock warrants, the employees who subscribe to new shares at the time of issuance, and the subjects of the issuance of employee restricted shares, include the employees of the controlling or subordinate company meeting certain criteria. The Board of

Directors shall establish the criteria.

- Article 8 The Company's share certificate is registered to be signed or affixed with seals by at least three Directors and for issuance after certification as required by law. The shares may be issued in a method that does not require any printing of share certificates, or the total number of shares may be printed in combination, but shall be registered or held for custody at a centralized securities depository enterprise.
- Article 9 The entries in the shareholders' roster during the transfer of shares shall not be altered within 30 days prior to the convening date of a regular shareholders' meeting, or within 15 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the base date decided by the company for distribution of dividends, bonus or other benefits. After the offering and listing of the Company's shares, the change of name and transfer of shares shall be suspended 60 days before a general shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or five days before the Company decides to pay out dividends, bonuses, or other benefits.
- Article 10 There are the regular and extraordinary shareholders' meetings. The Board of Directors shall convene the annual general meeting once a year within six months after the end of each fiscal year. Extraordinary meetings may be convened at any time as needed.
- Article 11 If a shareholder is unable to attend the shareholder meeting in person, a proxy can be appointed by completing the Company's proxy form with signed signature and affixed seal and by specifying the scope of delegated authority in accordance with Article 177 of the Company Act or the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" of the competent authority.
- Article 12 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the directors shall elect from among themselves one person to serve as the chair. If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually elect a chair from among themselves.
- Article 13 Shareholders of the Company shall have one vote per share except when the Company is under the circumstance specified in Article 179 of the Company Act.
- Article 14 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who

represent more than one-half of the total number of voting shares.

Article 15 Resolutions of the shareholders' meeting shall be documented in the meeting minutes, and shall be affixed with the signature or seal of the chairman. The meeting minutes shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points and results of the proceedings. The preservation period for the meeting minutes, sign-in record book of the attending shareholders and the proxy forms is based on Article 183 of the Company Act. The meeting minutes shall be distributed to all shareholders within twenty days after the meeting. The meeting minutes referred to above may be prepared by electronic means and the it may be distributed by public announcement. Shareholders with fewer than 1,000 registered shares may declare their shares approved by public announcement.

Article 16 The Company shall appoint 7 to 9 Directors. The election of directors adopts the candidate nomination system. Directors shall be elected by the Shareholders' Meeting from among the candidates list with a term of 3 years and shall be eligible for re-election. After the Company's shares are publicly traded, the shares held by all of the Directors shall not be less than a certain percentage of the total number of issued shares of the Company, and the percentage shall comply with the regulations of the competent authority.

In accordance with Article 14-2 of the Securities and Exchange Act, among the directors of the Company referred to above, the number of independent directors shall not be less than three, and shall constitute no less than one fifth of the total number of directors. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.

The director election shall be held in accordance with Article 198 of the Company Act. Independent directors and non-independent directors shall be elected at the same time and the number of elected directors shall be counted separately. Candidates winning votes with the most voting rights are elected as the independent directors and non-independent directors.

The Company may, in accordance with Article 14-4 of the Securities and Exchange Act, appoint an Audit Committee to be formed by all directors, and the Committee or committee members shall be responsible for performing duties under the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 17 When the number of vacancies in the board of directors equals one-third of the total number of directors, the board of directors shall call, within 30 days, a special

shareholders meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors. However, after the offering and listing of the Company's shares, a special meeting of shareholders for electing succeeding directors shall be convened by the board of directors within 60 days.

Article 18 The Chairman of the Board of Directors shall be elected by more than half of the directors present at a board meeting attended by at least two-thirds of all directors from among themselves. The Chairman shall represent the Company externally. Where the Chairman is on leave or is unable to perform their duty, the Chairman shall designate a director to preside over the meeting on their behalf. If the Chairman does not have a representative designated to perform this duty, the Directors shall select one from among themselves to preside over the meeting.

Article 19 The Chairman shall convene all other board meetings and act as the chairman concurrently, unless otherwise provided in the Company Act. The passing of the resolutions is to be supported by a majority of the attending directors at the board meeting attended by a majority of all the directors, unless otherwise provided under the Article 205 of Company Act and other laws. Directors who are unable to attend the meetings may issue a proxy form to appoint another director to attend the meeting. However, one director is able to act as proxy for only one other director. In case a meeting of the board of directors proceeds via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20 All Directors shall be informed seven (7) days prior to the convening of Board of Directors' Meeting of the Company. A board meeting may be convened at any time in case of emergency encountered by the Company. The meeting notice may be in the form of correspondence, email, or fascimile.

Article 21 The remuneration to all directors, regardless of profit or loss, is determined based on the industry standard and the director's level of participation and contribution to the Company's operations. The Board of Directors is authorized to determine the remuneration. In addition, the board of directors may decide to pay the directors/supervisors transport allowance, at a level that is of the industry standard.

Article 22 During their term of office, the Board of Directors may be authorized to purchase liability insurance for directors' indemnification liabilities within the scope of their duties, in order to mitigate and disperse the risks to the Company and its shareholders caused by illegal acts.

Article 23 The Company may appoint several managers in place. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 24 The board of directors shall at the end of each fiscal year prepare the following reports to be submitted to the shareholders' meeting for ratification in accordance with the laws.

1. The business report;
2. The financial statements; and
3. The surplus earning distribution or loss off-setting proposals.

Article 24-1

The Company shall set aside no less than 4% of the net income before tax for the current year before deducting the remuneration of employees and directors, and shall appropriate at least 4% thereof as the remuneration of employees and no more than 4% of the remuneration of the directors. However, if the company still has accumulated deficits, the offsetting amount shall be set aside in advance. The remuneration to employees referred to in the preceding paragraph may be paid in the form of shares or cash, and the allocation may include employees of affiliated companies that meet certain criteria; the remuneration to directors referred to above may be paid in cash only.

The preceding two paragraphs shall be implemented according to resolution of the Board of Directors and shall be reported to the Shareholders' Meeting.

Article 25

If the Company has current profit after tax in the year's final accounts, the accumulated losses shall be covered first and then 10% shall be set aside as the legal reserve as required by law; where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The special reserve is then appropriated or reversed in accordance with laws or regulations of the competent authority. If there are earnings still to be distributed, such as undistributed earnings of the beginning of the year, the Board of Directors is to propose an earnings distribution proposal, for example, the issuance of new shares and submit it to the shareholders' meeting for resolution. Pursuant to Article 240 of the Company Act, the Company may authorize the Board of Directors to approve the following distribution by board resolution with the support of a majority of the attending directors at the board meeting with more than two-thirds of all the directors in attendance: The distribution of dividends and bonuses in whole or in part, or, the legal reserve and capital reserve in whole or in part according to Article 241 of the Company Act, which shall be distributed in the form of cash and the distribution is to be reported to the shareholders' meeting.

The Company will manage its future capital expenditures, business expansion and sound financial plan in line with the environment and growth stage it is at in the pursuit of sustainable development. The Company's dividend policy shall adopt a joint distribution method for the stock and cash dividends of the above-mentioned

earnings distribution for shareholders dividends depending on the future capital expenditure budget and funding requirements of the Company. The cash dividends shall account for at least 10% of the entire dividends.

Article 26 The Company shall submit to the shareholders' meeting for resolution regarding the withdrawal of its shares from public offering, and this provision shall remain unchanged during the ESM or TPEX listing period.

Article 27 Any matters not addressed in this Article of Incorporation shall be handled in accordance with the Company Act and other applicable laws and regulations.

Article 28 The Articles of Incorporation was enacted on October 21, 2004.

The 1st amendment was made on December 1, 2004.

The 2nd amendment was made on April 20, 2005.

The 3rd amendment was made on August 20, 2005.

The 4th amendment was made on April 27, 2006.

The 5th amendment was made on July 28, 2007.

The 6th amendment was made on October 27, 2007.

The 7th amendment was made on March 30, 2008.

The 8th amendment was made on June 1, 2008.

The 9th amendment was made on June 30, 2009.

The 10th amendment was made on August 17, 2009.

The 11th amendment was made on December 11, 2009.

The 12th amendment was made on May 13, 2010.

The 13th amendment was made on May 10, 2011.

The 14th amendment was made on February 20, 2012.

The 15th amendment was made on June 21, 2013.

The 16th amendment was made on November 22, 2013.

The 17th amendment was made on June 7, 2016.

The 18th amendment was made on June 10, 2019.

Xu Yuan Packaging Technology Co., Ltd.



Chairman: Huang, Nan-yuan



## Xu Yuan Packaging Technology Co., Ltd. Shareholding of Directors

- I. As of the shareholders' meeting suspension date on March 26, 2024, the company's paid-in capital was NT\$548,171,400, and a total of 54,817,140 shares were issued.
- II. Pursuant to Article 26 of the Securities and Exchange Act, the minimum number of shares required to be held by all directors is 4,385,371 shares. The Company has appointed an Audit Committee, so the requirement on the number of shares being held by supervisors is not applicable
- III. The shareholdings of all directors recorded in the shareholders' register as of March 26, 2024:

Title	Name	Number of shares held	Shareholding (%)
Chairman	Huang, Nan-Yuan	2,519,464	4.60
Director	Chuang, Ya-Ping	3,245,015	5.92
Director	Xu Yao Investment Co., Ltd.	9,081,949	16.57
Director	Xu Hung Investment Co., Ltd.	4,376,288	7.98
Director	Shu-Jing Cheng	419,183	0.76
Director	Ching-Hsiang Yang	16,000	0.03
Independent director	Ching-Huang Lin	0	0.00
Independent director	Yu-Chu Chang	0	0.00
Independent director	Yi-Tan Chi	0	0.00
Shareholding by all Directors		19,545,899	35.86



The Impact of Stock Dividend Issuance on Business Performance, EPS,  
and Shareholder Return Rate:

Not applicable since no stock dividend was proposed in the current  
shareholders' meeting.

Acceptance of shareholders' proposals

Description of handling of the shareholders' proposal in this AGM:

- I. As per Article 172-1 of the Company Act, a shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and each of such proposals is limited to 300 words.
- II. The period for accepting shareholders' proposals and applications for this year's shareholders' meeting of the Company was from March 15, 2024 to March 25, 2024, and it was announced on the Market Observation Post System according to laws.
- III. The Company did not receive any shareholder proposal.