



2023 Annual General Shareholders' Meeting

Agenda (Translation)

June 15, 2023

Note to Readers:

If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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I. Meeting Procedure

Teco Image Systems Co., Ltd.
2023 Annual General Shareholders' Meeting
Meeting Procedure

1. Commencement of Meeting
2. Chairperson's opening speech
3. Reports
4. Ratification
5. Discussion
6. Extempore motions
7. Meeting adjourned

II. Meeting Agenda

Teco Image Systems Co., Ltd. 2023 Annual General Shareholders' Meeting Meeting Procedure

Time : 9:00 a.m., June 15, 2023 (Thursday)

Type of Meeting: Physical Meeting

Place: TECO TIS Employee Cafeteria, 2F., No. 1568-1, Sec. 1, Zhongshan Rd, Jinhua Village, Guanyin Dist, Taoyuan City

1. Commencement of Meeting
2. Chairperson's opening speech
3. Reports
 - (1) 2022 Business Report.
 - (2) 2022 Audit Committee's Review Report.
 - (3) Report on distribution of remuneration to employees and directors of the Company for the 2022 financial year.
 - (4) Report on the Distribution of Cash Dividends for the Company's 2022 Fiscal Year.
4. Ratification
 - (1) 2022 Business Report and Financial Statements.
 - (2) 2022 Earnings Appropriation.
5. Discussion
 - (1) Proposal on amendments to the "Articles of Incorporation" of the Company.
6. Extempore motions
7. Meeting adjourned

III. Reports

1. 2022 Business report.

(Please refer to pages 7~10 for the 2022 Business Report.)

2. 2022 Audit Committee's Review Report

(Please refer to pages 11 for the 2022 Audit Committee's Review Report.)

3. Report on distribution of remuneration to employees and directors of the Company for the 2022 financial year.

(1) To proceed according to Article 25 of the Articles of Incorporation

(2) The Company made a profit of NT\$101,593,613 (i.e., pre-tax benefit before the distribution of employee and director's remuneration) in FY2022 and intends to distribute employee's remuneration at 7% for NT\$7,111,553 and director's remuneration at 3.7% for NT\$3,758,964.

4. Report on the Distribution of Cash Dividends for the Company's 2022 Fiscal Year.

(1) Pursuant to Article 25-1 of the Articles of Incorporation, the Board of Directors is authorized to decide to distribute all or a portion of the dividends and profits, payable in the form of cash, and report thereon to the shareholders' meeting.

(2) The Board of Directors of the Company has approved the cash dividends for the 2022 fiscal year. The amount and date of payment thereof are as follows:

Approval Date	Payment Date	Cash Dividend per Share (New Taiwan Dollar)	Total Cash Dividend (New Taiwan Dollar)
March 17, 2023	To be determined	0.51	\$57,393,648

VI. Ratification

Proposal 1

Reason: To approve the 2022 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Explanation:

1. The Company's 2022 financial statements (including consolidated and individual financial statements) have been prepared under authority of the Board of Directors, and have been duly audited by PwC Accountants under the direction of the CPA Huang, Shih-Chun and the CPA Yeh, Tsui-Miao, certified public accountants, who issued an unqualified opinion thereon and submitted their audit report to the Audit Committee for review and approval, for which your ratification is sought.
2. Please refer to pages 7-10 of this Agenda for the aforesaid Business Report. .
3. Please refer to pages 12-36 of this Agenda for the Auditors' Report and the Financial Statements in paragraph 1 supra.

Resolution:

Proposal 2

Reason: To approve the proposal for the distribution of 2022 retained earnings.
(Proposed by the Board of Directors)

Explanation:

- 1.The earnings distribution for the Company's 2022 fiscal year has been determined by the Board of Directors for a distribution of cash dividends of NT\$0.51 per share.
2. The proposed earnings distribution plan for 2022 is as follows:

TECO Image Systems Co., Ltd.
Distribution of 2021 Profits

Unit: NT\$

Item	Amount
undistributed profit as of the beginning of the period	493,904,573
Add: 2022 retained surplus	30,669,806
Adjusted undistributed earnings	524,574,379
Add: Net Profit after tax in 2022	64,383,817
Less: Legal Reserve 10%	9,505,362
Add: Reversal of special reserve	60,405,925
Total distributable earnings	519,046,909
Allocation items:	
shareholder cash dividends	57,393,648
shareholder share dividends	0
Undistributed profit as of the end of 2022	461,653,261

Chairman: Ko IKUJIN

President: Kanji Wada

Accounting Chief: Hsu, Cheng-Chen

Resolution:

V. Discussion

Proposal 1

Reason: Amendments to the “Articles of Incorporation” of the Company
(proposed by the Board of Directors)

Explanation:

1. In accordance with the actual operations of the Company, it is proposed to delete some of the Company's authorized lines of business.
2. In order to establish stable manpower, promote sustainable development, and enhance shareholder equity, the Company proposes to formally establish the promotion of equality reforms in the Articles of Incorporation. This aims to convert vulnerable groups in society into a stable labor force within the Company, and to concomitantly grow together with the Company, thereby creating an inclusive and diverse workplace environment.
3. Please refer to pages 37 to 44 of this Agenda for a comparison of the original and revised Articles of Incorporation, and the revised Articles of Incorporation.
4. Please discuss.

Resolution:

VI. Extempore motions

VII. Meeting adjourned

Attachment I: 2022 Business Report

We herewith report our business status for fiscal year 2022 and business outlook for fiscal year 2023, as follows:

1. FY 2022 Business Status

The multifunction printer market in China underwent drastic changes throughout 2022. Continuing from the previous year, the global semiconductor shortage persisted in the first quarter, and production was limited due to critical component quotas. In the second quarter, China's efforts to control the spread of COVID-19 caused logistics disruptions and delayed demand for office equipment procurement. In the third quarter, the semiconductor shortage gradually eased, China's lockdown measures were relaxed, and previously suppressed procurement demand rebounded. Additionally, one of the major brands had supply shortages due to a factory sale, intellectual property disputes, and labor issues. This resulted in a supply gap, and various brands aggressively ramped up production and increased orders, leading to significant market growth. In the fourth quarter, China initially implemented strict lockdown measures, which were later lifted after the White Paper Revolution. However, the subsequent outbreak, lack of medications, logistical disruptions, and blockages in distribution channels led to a conservative market trend. According to a Key Research report, the total sales of multifunction printers in China decreased by 9.9% in 2022 compared to the previous year.

In response to the changes in the multifunction printer market in 2022, TECO is committed to stable production and supply. This includes pre-ordering and scheduling key electronic components, changing product designs to replace bottleneck components, and securing delivery channels from key module suppliers during lockdowns and logistics disruptions.

During periods of significant order growth, the company also worked hard to secure quotas from European semiconductor manufacturers. The company's total revenue for the year decreased by 3% compared to the previous year.

But our industrial color inkjet printers, label printers, cutting plotters, and other product lines which are mainly sold to the European and American markets gradually grew in 2022. Revenue share increased from 10% in the previous year to 16%. With continued improvements in production yield and ongoing replacement of bottleneck electronic components, future growth prospects are promising.

We reached overall net operating revenues of NTD 1.72 billion in 2022, with an achievement rate of approximately 87.8% of the revenue budget. After-tax net income was NTD 64 million, and after-tax earnings per share were NTD 0.81.

(1) The results of implementing our business plan and profit analysis are as follows:

Unit: NT\$1'000s

Item	Y2022	Y2021	Growth rate
Net operating revenues	1,722,767	1,771,373	-2.7%
Gross profit	256,505	299,617	-14.4%
Net income attributable to owners of the parent company	64,384	51,826	24.23%

(2) Revenue and profit and loss performance:

NT\$1.77 billion in FY2021. Gross profit for the year declined by NT\$43 million in 2021, mostly attributable to insufficient production capacity for new products, and poor efficiency in direct labor, so gross profit margin decreased by 2% compared to 2021. Changes in operating expenses decreased by 6% compared to the previous year, mainly due to a reduction in annual employee costs, labor costs, and share servicing expenses. Non-operating income and expenses increased by NTD 58 million compared to the same period last year, mainly due to an increase of NTD 50 million in equity method accounted for associated companies and joint venture income in FY2022 compared to FY 2021. After considering the above items, the net profit after tax for FY2022 was NTD 64 million, an increase of 25.5% compared to NTD 51 million in FY 2021.

(3) Research and development status:

Looking back over 2021, in addition to addressing material shortage issues and introducing substitute materials for various products in production, we have also simultaneously carried out diverse activities to enhance our business machine functions, introduce and verify UV spray painting technology, establish unmanned aerial vehicle (UAV) payload platforms, develop 3D printing post-processing techniques (such as dyeing, color uniformity, hybrid design, and weight reduction design), and establish a new platform for future system control. The main achievements are as follows:

A. Business machine section:

In addition to reducing production risks by introducing substitute materials, new models that replace chip functions with firmware have been successfully launched. In addition, we have obtained new customer projects and carried out performance upgrades, with the new models expected to be mass-produced in Q2 of 2023. Furthermore, the proposed plan to increase printing speed has received attention from customers based on preliminary verification results. We are expecting to formally kick off in Q2 of 2023, ensuring competitiveness in business machines and revenue/profit for the next two years.

B. Industrial cutting and spray painting machine section:

The outsourced production of industrial cutting machines has completed the first stage of optimization and stable shipments of quality products. We continue to discuss production and joint development opportunities for the next generation of cutting machines and wide-format printers with our customers. In addition, the ODM color industrial label printer has undergone product optimization design and is expected to be officially introduced in March 2023, ensuring future revenue and profits. Furthermore, the proposed UV spray painting solution has also been well-received by clients. We will continue to discuss with customers to obtain development opportunities for the next generation of cutting machines, color label printers, and wide-format printers for applications in the textile market.

C. 3D printing production section:

After years of development and promotion, we have successfully obtained orders for 3D printing from over 35 customers using TIS's 3D printing technology. In addition, we have received feedback from customers regarding weight reduction design for UAVs and have thus obtained opportunities to cooperate with UAV manufacturers to develop such designs.

D. UAV development section:

Together with 3D printing lightweight design, we have completed 7kg and 24.9kg UAV payload platforms that can be used for training, inspection, search and rescue, firefighting, environmental monitoring, and much more. Through these development achievements and pilot certification, we have obtained opportunities to produce 3D printed UAV parts and are discussing opportunities to assemble UAVs at our Guanyin factory with customers.

E. UAV development section:

Facing uncertainties caused by the pandemic and material shortages, our Guanyin factory has continued to optimize production processes and has received customer recognition for high-quality product shipments.

In summary, in 2023, we will focus on:

A. Build a new controller platform: Build a unified platform for business machines, industrial cutters and airbrush printers

The new controller platform can be applied not only to the business machines of our existing Japanese customers, but also to industrial cutting machines, industrial labeling and wide format printers. With the advantages of the controller, we can obtain opportunities to cooperate with overseas manufacturers for joint development.

B. 3D Printing Applications: Continuously applying to production products and expanding metal printing applications

After years of promotion, 3D printing technology has been proven to be applicable to end products with short delivery time and development cost savings. In addition to the application of 3D printing on plastics, in the future we will continue to promote the application and marketing of metal printing. It is expected that 3D printing will have considerable advantages in the production of drones, industrial printers, and clamping devices and jaws required for factory automation.

C. Drone system integration: electromechanical integration and automatic navigation

We will focus on firmware engineering, system integration of software ground monitoring systems, and automatic navigation in order to utilize our system integration capabilities and differentiate ourselves from other companies in the market.

D. Guanyin Factory introduction of collaborative arm machine production.

In the coming year, the manufacturing team will focus on introducing collaborative robots to work with operators in the production of products. The collaboration between ASD staff and robots will not only solve the perennial labor shortage problem in Taiwan, but also improve stability of product production, improve product quality, and reduce production costs.

2. Business outlook for FY2023

In the face of the changes in the environment in 2023, with the war in Russia and the Ukraine, inflation and raw material prices still high, we must pay attention to changes in the environment and be cautious in addressing them. As a hedge, we are taking advantage of the loosening production capacity of key electronic components to increase our one-year safety stock. At the same time, we are evaluating alternative materials for key electronic components, so that we can give priority to those that are far away from our competitors in automotive production, and increase our supply to reduce the impacts of material shortages.

Looking ahead to this year, it is an opportune moment for us to stabilize the foundation of our expansion in new fields in the past few years and prepare for the harvest time. This year, in

addition to 3D printing production technology, we have also increased the number of drones with 3D printing lightweight design, and have successfully introduced folding drones, agricultural spraying drones, inspection and detection drones, and training drones. We have also developed UV printers, wide format printers, and UAV 3D printing bodies, and assembled them for OEM.

We would like to thank all the shareholders of TIS for your long term understanding and support! Fortunately, the epidemic is now under control, and we look forward to the impact of the epidemic ending as soon as possible in 2023. However, unresolved geopolitical issues, wars, and rising interest rates remain, so as we address a conservative overall environment, we will be more cautious in facing future challenges this year. TECO can promise you that we are indeed prepared to meet these challenges.

Finally, on behalf of the Board of Directors, we would like to express our sincere gratitude to all our shareholders and colleagues at TIS as we look forward to your continuing support and encouragement.

Chairman: KO IKUJIN

President: Kanji Wada

Accounting Chief: Hsu, Cheng-Chen

Attachment II:2022 Audit Committee's Review Report

TIS

Audit Committee review report

March 17,2023

The Board of Directors of Teco Image Systems Co., Ltd. (TIS) has submitted the Company's annual business report, individual financial statement, consolidated financial statement and earnings distribution for2022, and the individual financial statement and consolidated financial statement have been audited by Huang, Shih-Chun and Yeh, Tsui-Miao of Pricewaterhouse Coopers Certified Public Accountants, and the audit report has been issued. .

The proposal has been reviewed and determined to be correct and accurate by the Audit Committee of TIS. According to the Securities and Exchange Act and the Company Act, we here by submit this report.

Teco Image Systems Co., LTd.



TAN YAO NAN
Chairman of the Audit Committee

Attachment III: 2022 Audit report of accountant and consolidated financial statements(including individual financial statements)

INDEPENDENT AUDITORS' REPORT

PWCR22000315

To the Board of Directors and Shareholders of Teco Image Systems Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Teco Image Systems Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to other matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

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Valuation of inventories

Description

For accounting policies adopted for the valuation of inventories, please refer to Note 4(13). For the significant judgements applied in the accounting policies adopted for the valuation of inventories, please refer to Note 5(2). For details of inventories, please refer to Note 6(5).

Before producing new types of multiple-function printers, the Group will prepare sufficient materials based on the sales forecast. If the actual sales are lower than the expected results, the materials in storage will be excessive and be consumed slowly. The Group estimates net present value of inventories on the balance sheet date, and then writes down inventory cost to net present value. As the valuation of inventories involve judgements, and the valuation amounts are material, we identified the valuation of inventories as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Obtained the policies for inventory valuation and determined whether the policies applied in provision of allowance for inventory valuation losses in the different periods are in agreement.
2. Performed physical inventory count at the end of period to identify whether there are obsolete, damaged or unsalable inventories.
3. Obtained aging statements for each kind of inventory and tested the changes in ages of inventory. For selected samples with inventory number, we verified to changes record and expiration dates, checked the accuracy of categories inventory ages and computed the effects on inventories.
4. Obtained net realizable value statement of each kind of inventory and checked whether the applied calculation logic was in agreement for all inventory. Tested relevant parameters and relevant estimate document. Checked and compared allowance for valuation losses that the Group should provision at the lower of cost and net realizable value.

Existence of sales revenue

Description

For accounting policies adopted for the recognition of revenue, please refer to Note 4(29). For details of revenue, please refer to Note 6(15).

The Group mainly traded with established and reputable customers over the years. Since the changes in new top ten customers may materially affect the consolidated financial statements of the Group and sales revenue is high-risk in nature, we identified the existence of sales revenue from new top ten customers as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Understood the internal controls over sales.
2. Verified the appraisal report of new top ten customers by checking the relevant information.
3. Tested whether the credit terms of new top ten customers have been approved appropriately.
4. Obtained and verified the details of sales and relevant supporting documents.
5. Performed sampling confirmation procedures to new top ten customers to ascertain the existence and accuracy of the receivables.
6. Obtained and verified the subsequent collections details of accounts receivable and relevant supporting documents.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for using the equity method that are included in the consolidated financial statements. The balance of investments accounted for using equity method was NT\$243,602 thousand and NT\$232,729 thousand, constituting 8.07% and 7.36% of the consolidated total assets as of December 31, 2022 and 2021, respectively. The balance of comprehensive income (loss) was NT\$11,911 thousand and NT(\$19,601) thousand for the years ended December 31, 2022 and 2021, constituting (11.94%) and (3.51%) of the consolidated total comprehensive income (loss), respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of Teco Image Systems Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement,

whether due to fraud or error.

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

Those charged with governance including the audit committee are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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



Huang, Shih-Chun
Huang, Shih-Chun

Yeh, Tsui-Miao
Yeh, Tsui-Miao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

TECO IMAGE SYSTEMS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 400,192	13	\$ 271,141	9
1110	Financial assets at fair value through profit or loss - current	6(2)	616	-	730	-
1150	Notes receivable, net	6(4)	-	-	5,193	-
1170	Accounts receivable, net	6(4)	309,424	10	397,239	12
1180	Accounts receivable - related parties	6(4) and 7(2)	12	-	-	-
1200	Other receivables		2,622	-	11,229	-
130X	Inventories, net	6(5)	289,351	10	250,032	8
1410	Prepayments		47,091	2	57,807	2
11XX	Current Assets		<u>1,049,308</u>	<u>35</u>	<u>993,371</u>	<u>31</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non - current	6(3)	706,964	24	1,013,722	32
1550	Investments accounted for under the equity method	6(6)	1,056,925	35	1,051,971	33
1600	Property, plant and equipment, net	6(7)	33,515	1	33,643	1
1755	Right-of-use assets	6(8)	132,754	4	44,547	2
1780	Intangible assets		5,761	-	6,329	-
1840	Deferred income tax assets	6(21)	12,517	-	15,350	1
1920	Guarantee deposits paid		7,067	-	2,842	-
1990	Other non-current assets, others		13,731	1	1,286	-
15XX	Non-current assets		<u>1,969,234</u>	<u>65</u>	<u>2,169,690</u>	<u>69</u>
1XXX	Total assets		<u>\$ 3,018,542</u>	<u>100</u>	<u>\$ 3,163,061</u>	<u>100</u>

(Continued)

TECO IMAGE SYSTEMS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 297,000	10	\$ 297,000	10
2130	Contract liabilities - current	6(15)	22,600	1	26,767	1
2170	Accounts payable		306,503	10	376,540	12
2180	Accounts payable - related parties	7(2)	5,684	-	8,771	-
2200	Other payables	6(10) and 7(2)	125,194	4	138,234	4
2230	Current income tax liabilities	6(21)	19,357	1	8,072	-
2250	Provisions for liabilities - current	6(12)	23,041	1	23,166	1
2280	Current lease liabilities	7(2)	35,526	1	23,553	1
2300	Other current liabilities		519	-	2,222	-
21XX	Current Liabilities		<u>835,424</u>	<u>28</u>	<u>904,325</u>	<u>29</u>
Non-current liabilities						
2580	Non-current lease liabilities	7(2)	99,387	3	21,234	1
2600	Other non-current liabilities		6,740	-	13,829	-
25XX	Non-current liabilities		<u>106,127</u>	<u>3</u>	<u>35,063</u>	<u>1</u>
2XXX	Total Liabilities		<u>941,551</u>	<u>31</u>	<u>939,388</u>	<u>30</u>
Equity attributable to owners of the parent						
Share capital						
3110	Share capital - common stock	6(13)	1,125,365	37	1,125,365	36
Capital surplus						
3200	Capital surplus		245	-	998	-
Retained earnings						
3310	Legal reserve	6(14)	422,829	14	377,261	12
3350	Unappropriated retained earnings		588,958	20	585,614	18
Other equity interest						
3400	Other equity interest		(60,406)	(2)	134,435	4
31XX	Equity attributable to owners of the parent		<u>2,076,991</u>	<u>69</u>	<u>2,223,673</u>	<u>70</u>
3XXX	Total equity		<u>2,076,991</u>	<u>69</u>	<u>2,223,673</u>	<u>70</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 3,018,542</u>	<u>100</u>	<u>\$ 3,163,061</u>	<u>100</u>

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

TECO IMAGE SYSTEMS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenues	6(15) and 7(2)	\$ 1,722,767	100	\$ 1,771,373	100
5000	Operating costs	6(5)(20) and 7(2)	(1,466,262)	(85)	(1,471,756)	(83)
5900	Net operating margin		<u>256,505</u>	<u>15</u>	<u>299,617</u>	<u>17</u>
	Operating expenses	6(20)				
6100	Selling expenses		(36,638)	(2)	(43,035)	(2)
6200	General and administrative expenses		(162,655)	(10)	(153,178)	(9)
6300	Research and development expenses		(104,547)	(6)	(127,292)	(7)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	<u>41</u>	<u>-</u>	<u>(28)</u>	<u>-</u>
6000	Total operating expenses		<u>(303,799)</u>	<u>(18)</u>	<u>(323,533)</u>	<u>(18)</u>
6900	Operating loss		<u>(47,294)</u>	<u>(3)</u>	<u>(23,916)</u>	<u>(1)</u>
	Non-operating income and expenses					
7100	Interest income		1,236	-	1,178	-
7010	Other income	6(16)	51,642	3	78,838	4
7020	Other gains and losses	6(17)	(368)	-	(5,877)	-
7050	Finance costs	6(18) and 7(2)	(6,907)	-	(3,861)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(6)	<u>92,414</u>	<u>5</u>	<u>9,893</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>138,017</u>	<u>8</u>	<u>80,171</u>	<u>4</u>
7900	Profit before income tax		<u>90,723</u>	<u>5</u>	<u>56,255</u>	<u>3</u>
7950	Income tax expense	6(21)	<u>(26,339)</u>	<u>(1)</u>	<u>(4,429)</u>	<u>-</u>
8200	Profit for the year		<u>\$ 64,384</u>	<u>4</u>	<u>\$ 51,826</u>	<u>3</u>

(Continued)

TECO IMAGE SYSTEMS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Actuarial gain on defined benefit plan	6(11)	\$ 5,228	-	\$ 4,547	-
8316	Unrealized (loss) gain on valuation of equity instruments at fair value through other comprehensive income	6(3)	(120,460)	(7)	501,478	28
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(6)	(53,796)	(3)	5,589	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(1,047)	-	(8,981)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(170,075)	(10)	502,633	29
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statement translation differences of foreign operations		1,568	-	(970)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		4,334	-	4,420	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		5,902	-	3,450	-
8300	Total other comprehensive (loss) income for the year		<u>(\$ 164,173)</u>	<u>(10)</u>	<u>\$ 506,083</u>	<u>29</u>
8500	Total comprehensive (loss) income for the year		<u>(\$ 99,789)</u>	<u>(6)</u>	<u>\$ 557,909</u>	<u>32</u>
Profit attributable to:						
8610	Owners of the parent		<u>\$ 64,384</u>	<u>4</u>	<u>\$ 51,826</u>	<u>3</u>
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		<u>(\$ 99,789)</u>	<u>(6)</u>	<u>\$ 557,909</u>	<u>32</u>
9750	Basic earnings per share	6(22)	<u>\$ 0.81</u>		<u>\$ 0.51</u>	
9850	Diluted earnings per share	6(22)	<u>\$ 0.81</u>		<u>\$ 0.51</u>	

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

TECO IMAGE SYSTEMS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent						Total equity	
		Share capital - common stock	Capital surplus		Retained earnings		Other equity interest		
			Changes in equity of associates and joint ventures accounted for using the equity method	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain or loss on valuation of financial assets at fair value through other comprehensive income		
Year ended December 31, 2021									
Balance at January 1, 2021		\$ 1,125,365	\$ 55	\$ 377,261	\$ 141,189	(\$ 7,759)	\$ 64,939	\$ 1,701,050	
Profit for the year		-	-	-	51,826	-	-	51,826	
Other comprehensive income for the year		-	-	-	3,825	3,450	498,808	506,083	
Total comprehensive income		-	-	-	55,651	3,450	498,808	557,909	
Appropriation and distribution of 2020 retained earnings	6(14)	-	-	-	-	-	-	-	
Cash dividends from retained earnings		-	-	-	(11,254)	-	-	(11,254)	
Disposal of financial assets at fair value through other comprehensive income	6(3)	-	-	-	425,003	-	(425,003)	-	
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	943	-	(24,975)	-	-	(24,032)	
Balance at December 31, 2021		\$ 1,125,365	\$ 998	\$ 377,261	\$ 585,614	(\$ 4,309)	\$ 138,744	\$ 2,223,673	
Year ended December 31, 2022									
Balance at January 1, 2022		\$ 1,125,365	\$ 998	\$ 377,261	\$ 585,614	(\$ 4,309)	\$ 138,744	\$ 2,223,673	
Profit for the year		-	-	-	64,384	-	-	64,384	
Other comprehensive income (loss) for the year		-	-	-	4,531	5,902	(174,606)	(164,173)	
Total comprehensive income (loss)		-	-	-	68,915	5,902	(174,606)	(99,789)	
Appropriation and distribution of 2021 retained earnings	6(14)	-	-	-	-	-	-	-	
Legal reserve appropriated		-	-	45,568	(45,568)	-	-	-	
Cash dividends from retained earnings		-	-	-	(46,140)	-	-	(46,140)	
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	285	-	4,079	-	(4,079)	285	
Disposal of financial assets at fair value through other comprehensive income	6(3)	-	-	-	22,058	-	(22,058)	-	
To recognise that associate did not participate in the capital increase raised in proportion to its share interest	6(6)	-	(1,038)	-	-	-	-	(1,038)	
Balance at December 31, 2022		\$ 1,125,365	\$ 245	\$ 422,829	\$ 588,958	\$ 1,593	(\$ 61,999)	\$ 2,076,991	

TECO IMAGE SYSTEMS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 90,723	\$ 56,255
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(19)	43,754	35,163
Amortization	6(19)	2,780	3,674
Net income on financial assets and liabilities at fair value through profit or loss	6(17)	31,589	(5,756)
Expected credit loss (profit)	12(2)	(41)	28
Share of (profit) loss of associates and joint ventures accounted for under the equity method	6(6)	(92,414)	(9,893)
Loss on disposal of property, plant and equipment	6(17)	-	50
Accrued product warranty provision	6(12)	2	105
Interest expense	6(18)	6,907	3,861
Interest income		(1,236)	(1,178)
Dividend income	6(16)	(45,865)	(66,709)
Gain from lease modification	6(8)	(50)	(13)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		(31,475)	3,738
Notes receivable		5,193	(5,193)
Accounts receivable		87,856	(59,536)
Accounts receivable-related parties		(12)	-
Other receivables		8,693	(3,488)
Inventories		(39,319)	(101,057)
Prepayments		10,716	(21,893)
Other non-current assets		-	170
Changes in operating liabilities			
Contract liabilities-current		(4,167)	(4,976)
Accounts payable		(70,037)	78,477
Accounts payable - related parties		(3,087)	8,719
Other payables		(16,106)	18,387
Provisions-current		(127)	(56)
Other current liabilities		(1,703)	44
Other non-current liabilities		(1,860)	(9,079)
Cash outflow generated from operations		(19,286)	(80,156)
Interest received		1,236	1,178
Interest paid		(6,907)	(3,861)
Income tax refund received		-	2,887
Income tax paid		(13,267)	(3,540)
Net cash flows used in operating activities		(38,224)	(83,492)

(Continued)

TECO IMAGE SYSTEMS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Dividends received	6(16)	\$ 45,865	\$ 66,709
Dividend income from investments accounted for under the equity method	6(6) and 7(2)	37,246	-
Decrease in prepayments		-	10,000
Acquisition of financial assets at fair value through other comprehensive income - non-current	7(2)	-	(506,639)
Acquisition of property, plant and equipment	6(23)	(8,776)	(16,314)
Acquisition of intangible assets		(2,197)	(6,175)
Proceeds from disposal of financial assets at fair value through other comprehensive income - non current		186,212	262,508
Increase in refundable deposits		(4,225)	(122)
Increase in prepayments for business facilities		(13,773)	(1,275)
Net cash flows from (used in) investing activities		<u>240,352</u>	<u>(191,308)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Cash dividends paid	6(24)	(46,140)	(11,254)
Increase in short-term borrowings	6(24)	1,597,000	1,008,500
Repayment of short-term borrowings	6(24)	(1,597,000)	(861,500)
Repayment of the principal portion of lease liabilities	6(24)	(28,281)	(19,862)
Net cash flows (used in) from financing activities		<u>(74,421)</u>	<u>115,884</u>
Effect of exchange rate changes on cash and cash equivalents		<u>1,344</u>	<u>(694)</u>
Net increase (decrease) in cash and cash equivalents		129,051	(159,610)
Cash and cash equivalents at beginning of year		<u>271,141</u>	<u>430,751</u>
Cash and cash equivalents at end of year		<u>\$ 400,192</u>	<u>\$ 271,141</u>

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000236

To the Board of Directors and Shareholders of Teco Image Systems Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Teco Image Systems Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to other matter section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our

audit of the Company's 2022 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Valuation of inventories

Description

For accounting policies adopted for the valuation of inventories, please refer to Note 4(12). For the significant judgements applied in the accounting policies adopted for the valuation of inventories, please refer to Note 5(2). For details of inventories, please refer to Note 6(5).

Before producing new types of multiple-function printers, the Company will prepare sufficient materials based on the sales forecast. If the actual sales are lower than the expected results, the materials in storage will be excessive and be consumed slowly. The Company estimates net present value of inventories on the balance sheet date, and then writes down inventory cost to net present value. As the valuation of inventories involve judgements, and the valuation amounts are material, we identified the valuation of inventories as one of the key audit matters.

How our audit addressed the matter:

We performed the following audit procedures in relation to the key audit matter:

1. Obtained the policies for inventory valuation and determined whether the policies applied in provision of allowance for inventory valuation losses in the different periods are in agreement.
2. Performed physical inventory count at the end of period to identify whether there are obsolete, damaged or unsalable inventories.
3. Obtained aging statements for each kind of inventory and tested the changes in ages of inventory. For selected samples with inventory number, we verified to changes record and expiration dates, checked the accuracy of classification range of inventory ages and valued the effects on inventories.
4. Obtained net realizable value statement of each kind of inventory and checked whether the applied calculation logic was in agreement for all inventory. Tested relevant parameters and relevant estimate document. Checked and compared allowance for valuation losses that the Company should provision at the lower of cost and net realizable value.

Existence of sales revenue

Description

For accounting policies adopted for the recognition of revenue, please refer to Note 4(28). For details of revenue, please refer to Note 6(15).

The Company mainly traded with established and reputable customers over the years. Since the changes in new top ten customers may materially affect the parent company only financial statements of the Company and sales revenue is high-risk in nature, we identified the existence of sales revenue from new top ten customers as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Understood the internal controls over sales.
2. Verified the appraisal report of new top ten customers by checking relevant information on them.
3. Tested whether the credit terms of new top ten customers have been approved appropriately.
4. Obtained and verified the details of sales and relevant supporting documents.
5. Performed sampling confirmation procedures to new top ten customers to ascertain the existence and accuracy of the receivables.
6. Obtained and verified the subsequent collections details of accounts receivable and relevant supporting documents.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for using the equity method that are included in the parent company only financial statements. The balance of investments accounted for using equity method was NT\$243,602 thousand and NT\$232,729 thousand, constituting 8.74% and 7.46% of the parent company only total assets as of December 31, 2022 and 2021, respectively. The balance of comprehensive income (loss) was NT\$11,911 thousand and NT(\$19,601) thousand for the years ended December 31, 2022 and 2021, constituting (11.94%) and (3.51%) of the parent company only total comprehensive income (loss), respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other auditors.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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


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

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

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

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


Huang, Shih-Chun


Yeh, Tsui-Miao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TECO IMAGE SYSTEMS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 358,252	13	\$ 237,616	8
1110	Financial assets at fair value through profit or loss - current	6(2)	616	-	730	-
1150	Notes receivable, net	6(4)	-	-	5,193	-
1170	Accounts receivable, net	6(4)	308,712	11	396,536	13
1180	Accounts receivable - related parties	6(4) and 7(2)	12	-	-	-
1200	Other receivables		2,373	-	9,498	-
1210	Other receivables - related parties	7(2)	235	-	54	-
130X	Inventories	6(5)	160,583	6	174,488	5
1410	Prepayments		44,178	1	53,686	2
11XX	Current Assets		<u>874,961</u>	<u>31</u>	<u>877,801</u>	<u>28</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	706,964	25	1,013,722	33
1550	Investments accounted for under equity method	6(6)	1,125,524	40	1,151,656	37
1600	Property, plant and equipment	6(7)	18,295	1	16,560	1
1755	Right-of-use assets	6(8)	39,553	2	34,599	1
1780	Intangible assets		5,587	-	6,095	-
1840	Deferred income tax assets	6(21)	12,517	1	15,350	-
1920	Guarantee deposits paid		1,581	-	884	-
1990	Other non-current assets, others		790	-	1,275	-
15XX	Non-current assets		<u>1,910,811</u>	<u>69</u>	<u>2,240,141</u>	<u>72</u>
1XXX	Total assets		<u>\$ 2,785,772</u>	<u>100</u>	<u>\$ 3,117,942</u>	<u>100</u>

(Continued)

TECO IMAGE SYSTEMS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 297,000	10	\$ 297,000	10
2130	Current contract liabilities	6(15)	21,883	1	25,652	1
2170	Accounts payable		99,260	3	153,051	5
2180	Accounts payable - related parties	7(2)	94,015	3	218,613	7
2200	Other payables	6(10) and 7(2)	107,123	4	117,991	4
2230	Current income tax liabilities	6(21)	19,357	1	8,072	-
2250	Provisions for liabilities - current	6(12)	23,041	1	23,166	1
2280	Current lease liabilities	7(2)	18,272	1	14,213	-
2300	Other current liabilities		519	-	2,222	-
21XX	Current Liabilities		<u>680,470</u>	<u>24</u>	<u>859,980</u>	<u>28</u>
Non-current liabilities						
2580	Non-current lease liabilities	7(2)	21,571	1	20,460	1
2600	Other non-current liabilities	6(11)	6,740	-	13,829	-
25XX	Non-current liabilities		<u>28,311</u>	<u>1</u>	<u>34,289</u>	<u>1</u>
2XXX	Total Liabilities		<u>708,781</u>	<u>25</u>	<u>894,269</u>	<u>29</u>
Equity						
Share capital						
3110	Share capital - common stock	6(13)	1,125,365	41	1,125,365	36
Capital surplus						
3200	Capital surplus	6(6)	245	-	998	-
Retained earnings						
3310	Legal reserve	6(14)	422,829	15	377,261	12
3350	Unappropriated retained earnings		588,958	21	585,614	19
Other equity interest						
3400	Other equity interest		(60,406)	(2)	134,435	4
3XXX	Total equity		<u>2,076,991</u>	<u>75</u>	<u>2,223,673</u>	<u>71</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 2,785,772</u>	<u>100</u>	<u>\$ 3,117,942</u>	<u>100</u>

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

TECO IMAGE SYSTEMS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(15) and 7(2)	\$ 1,718,022	100	\$ 1,763,473	100
5000 Operating costs	6(5)(19) and 7(2)	(1,463,513)	(85)	(1,456,818)	(83)
5900 Net operating margin		<u>254,509</u>	<u>15</u>	<u>306,655</u>	<u>17</u>
Operating expenses	6(19) and 7(2)				
6100 Selling expenses		(33,181)	(2)	(39,314)	(2)
6200 General & administrative expenses		(137,936)	(8)	(136,297)	(8)
6300 Research and development expenses		(104,547)	(6)	(127,292)	(7)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	<u>41</u>	<u>-</u>	<u>(30)</u>	<u>-</u>
6000 Total operating expenses		<u>(275,623)</u>	<u>(16)</u>	<u>(302,933)</u>	<u>(17)</u>
6900 Operating (loss) profit		<u>(21,114)</u>	<u>(1)</u>	<u>3,722</u>	<u>-</u>
Non-operating income and expenses					
7100 Interest income		1,099	-	230	-
7010 Other income	6(16)	50,804	3	78,190	4
7020 Other gains and losses	6(17)	6,675	-	(6,803)	-
7050 Finance costs	6(18)	(6,501)	-	(3,701)	-
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	6(6)	<u>59,760</u>	<u>3</u>	<u>(15,383)</u>	<u>(1)</u>
7000 Total non-operating expenses		<u>111,837</u>	<u>6</u>	<u>52,533</u>	<u>3</u>
7900 Profit before income tax		<u>90,723</u>	<u>5</u>	<u>56,255</u>	<u>3</u>
7950 Income tax expense	6(21)	(26,339)	(1)	(4,429)	-
8200 Profit for the year		<u>\$ 64,384</u>	<u>4</u>	<u>\$ 51,826</u>	<u>3</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Actuarial gain on defined benefit plan	6(11)	\$ 5,228	-	\$ 4,547	-
8316 Unrealized (loss) gain on valuation of equity instruments at fair value through other comprehensive income	6(3)	(120,460)	(7)	501,478	29
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(6)	(53,796)	(3)	5,589	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(1,047)	-	(8,981)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>(170,075)</u>	<u>(10)</u>	<u>502,633</u>	<u>29</u>
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		1,568	-	(970)	-
8380 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		<u>4,334</u>	<u>-</u>	<u>4,420</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss		<u>5,902</u>	<u>-</u>	<u>3,450</u>	<u>-</u>
8300 Other comprehensive (loss) income for the year		<u>(\$ 164,173)</u>	<u>(10)</u>	<u>\$ 506,083</u>	<u>29</u>
8500 Total comprehensive (loss) income for the year		<u>(\$ 99,789)</u>	<u>(6)</u>	<u>\$ 557,909</u>	<u>32</u>
Basic earnings per share					
9750 Total basic earnings per share	6(22)	<u>\$ 0.81</u>		<u>\$ 0.51</u>	
Diluted earnings per share					
9850 Total diluted earnings per share	6(22)	<u>\$ 0.81</u>		<u>\$ 0.51</u>	

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

Teco Images Systems Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings			Other equity interest		Total equity	
		Share capital - common stock	Capital surplus, others	Legal reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations		Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income
Year ended December 31, 2021								
Balance at January 1, 2021		\$ 1,125,365	\$ 55	\$ 377,261	\$ 141,189	(\$ 7,759)	\$ 64,939	\$ 1,701,050
Profit for the year		-	-	-	51,826	-	-	51,826
Other comprehensive income for the year		-	-	-	3,825	3,450	498,808	506,083
Total comprehensive income		-	-	-	55,651	3,450	498,808	557,909
Appropriation and distribution of 2020 retained earnings	6(14)	-	-	-	(11,254)	-	-	(11,254)
Cash dividends		-	-	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income	6(3)	-	-	-	425,003	-	(425,003)	-
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	943	-	(24,975)	-	-	(24,032)
Balance at December 31, 2021		\$ 1,125,365	\$ 998	\$ 377,261	\$ 585,614	(\$ 4,309)	\$ 138,744	\$ 2,223,673
Year ended December 31, 2022								
Balance at January 1, 2022		\$ 1,125,365	\$ 998	\$ 377,261	\$ 585,614	(\$ 4,309)	\$ 138,744	\$ 2,223,673
Profit for the year		-	-	-	64,384	-	-	64,384
Other comprehensive income (loss) for the year		-	-	-	4,531	5,902	(174,606)	(164,173)
Total comprehensive income (loss)		-	-	-	68,915	5,902	(174,606)	(99,789)
Appropriation and distribution of 2021 retained earnings		-	-	-	(45,568)	-	-	-
Legal reserve appropriated		-	-	45,568	(46,140)	-	-	(46,140)
Cash dividends		-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	285	-	4,079	-	(4,079)	285
Disposal of financial assets at fair value through other comprehensive income	6(3)	-	-	-	22,058	-	(22,058)	-
To recognise that associate did not participate in the capital increase raised in proportion to its share interest	6(6)	-	(1,038)	-	-	-	-	(1,038)
Balance at December 31, 2022		\$ 1,125,365	\$ 245	\$ 422,829	\$ 588,958	\$ 1,593	(\$ 61,999)	\$ 2,076,991

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

TECO IMAGE SYSTEMS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 90,723	\$ 56,255
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(19)	24,574	21,848
Amortization	6(19)	2,508	3,295
Net income on financial assets and liabilities at fair value through profit or loss	6(17)	31,589	(5,756)
Expected credit loss	12(2)	(41)	30
Share of (profit) loss of associates and joint ventures accounted for under the equity method	6(6)	(59,760)	15,383
Loss on disposal of property, plant and equipment	6(17)	-	50
Accrued product warranty provision	6(12)	2	105
Interest expense	6(18)	6,501	3,701
Interest income		(1,099)	(230)
Dividend income	6(16)	(45,865)	(66,709)
Gain from lease modification	6(8)	(33)	(13)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		(31,475)	3,738
Notes receivable		5,193	(5,193)
Accounts receivable		87,865	(59,897)
Accounts receivable-related parties		(12)	-
Other receivables		7,030	(1,883)
Inventories		13,905	(82,756)
Prepayments		9,508	(20,783)
Changes in operating liabilities		(3,769)	(5,890)
Contract liabilities-current		(53,791)	62,944
Accounts payable		(124,598)	(14,561)
Accounts payable - related parties		(11,750)	15,826
Other payables		(127)	(56)
Provisions-current		(1,703)	44
Other current liabilities		(1,860)	(9,079)
Other non-current liabilities		(56,485)	(89,587)
Cash outflow generated from operations		1,099	230
Interest received		(6,501)	(3,701)
Interest paid		-	2,887
Income tax refund received		(13,267)	(3,540)
Income tax paid		(75,154)	(93,711)
Net cash flows used in operating activities			

(Continued)

TECO IMAGE SYSTEMS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Dividends received	6(16)	\$ 45,865	\$ 66,709
Dividend income from investments accounted for under the equity method	6(6) and 7(2)	37,246	-
Decrease in prepayments	7(2)	-	10,000
Acquisition of financial assets at fair value through other comprehensive income - non current	6(3)	-	(506,639)
Proceeds from disposal of financial assets at fair value through other comprehensive income - non current	6(3)	186,212	262,508
Acquisition of property, plant and equipment	6(23)	(7,351)	(13,641)
Acquisition of intangible assets		(2,000)	(6,175)
Increase in refundable deposits		(697)	(129)
Increase in prepayments for business facilities		(790)	(1,275)
Net cash flows from (used in) investing activities		<u>258,485</u>	<u>(188,642)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Cash dividends paid	6(24)	(46,140)	(11,254)
Increase in short-term borrowings	6(24)	1,597,000	1,008,500
Repayment of short-term borrowings	6(24)	(1,597,000)	(861,500)
Repayment of the principal portion of lease liabilities	6(24)	(16,555)	(11,306)
Net cash flows (used in) from financing activities		<u>(62,695)</u>	<u>124,440</u>
Net increase (decrease) in cash and cash equivalents		120,636	(157,913)
Cash and cash equivalents at beginning of year		<u>237,616</u>	<u>395,529</u>
Cash and cash equivalents at end of year		<u>\$ 358,252</u>	<u>\$ 237,616</u>

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

Attachment IV: The comparison between the revision and the original of “Articles of Incorporation”, and the revised Articles of Incorporation

TECO Image Systems Co., Ltd.

The Comparison between the Revision and the Original “Articles of Incorporation”

Proposed Revision	Current Clauses	Note
<p>Article 1 The Company is incorporated in accordance with the Company Act and is named TECO Image Systems Co., Ltd. <u>Our company aims to achieve sustainable operations and promote equal rights reforms. We aspire to transform vulnerable groups in society into a stable labor force within the company, and holistically grow together with them. By doing so, we hope to promote the equal rights movement and establish a workplace that embraces inclusivity and diversity, while integrating people with disabilities.</u></p>	<p>Article 1 The Company is incorporated in accordance with the Company Act and is named TECO Image Systems Co., Ltd.</p>	<p>In order to establish stable manpower, promote sustainable development, and enhance shareholder equity, the Company proposes to formally establish the promotion of equality reforms in the Company's Articles of Incorporation. This aims to convert vulnerable groups in society into a stable labor force within the Company, and to concomitantly grow together with the Company, thereby creating an inclusive and diverse workplace environment.</p>
<p>Article 2 The scope of business of this Company is as follows: (1) C805050 Manufacture of industrial plastic products (2) C805070 Manufacture of reinforced plastic products (3) CB01010 Mechanical Equipment Manufacturing (4) CB01020 Affairs Machine Manufacturing (5) CB01990 Other Machinery Manufacturing (6) CC01030 Manufacture of electrical appliance and audio-visual electronic products (7) CC01060 Manufacture of cable telecommunication machinery and equipment (8) CC01070 Manufacture of wireless telecommunication machinery and equipment</p>	<p>Article 2 The scope of business of this Company is as follows: (1) C805050 Manufacture of industrial plastic products (2) C805070 Manufacture of reinforced plastic products (3) CB01010 Mechanical Equipment Manufacturing (4) CB01020 Affairs Machine Manufacturing (5) CB01990 Other Machinery Manufacturing (6) CC01030 Manufacture of electrical appliance and audio-visual electronic products (7) CC01060 Manufacture of cable telecommunication machinery and equipment (8) CC01070 Manufacture of wireless telecommunication machinery and equipment</p>	<p>1. In accordance with the Telecommunications Regulatory Act, which came into effect in July 2020, the "Regulations Governing the Manufacture, Import and Reporting of Telecommunications Control Radio Frequency Devices" authorized by Article 65, Paragraphs 3 and 5 of the Act no longer provides for the issuance of licenses to operate in the telecommunications control radio frequency devices input industry.</p>

Proposed Revision	Current Clauses	Note
<p>(9) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing</p> <p>(10) CC01110 Manufacture of computers and the peripheral thereof</p> <p>(11) CC01120 Data Storage Media Manufacturing and Duplicating</p> <p>(12) CD01060 Aircraft and Parts Manufacturing</p> <p>(13) F108040 Wholesale of Cosmetics</p> <p>(14) F113020 Wholesale of Electrical Appliances</p> <p>(15) F113050 Wholesale of Computers and Clerical Machinery Equipment</p> <p>(16) F113070 Wholesale of Telecommunication Apparatus</p> <p>(17) F114070 Wholesale of Aircraft and Component Parts Thereof</p> <p>(18) F118010 Wholesale of Computer Software</p> <p>(19) F208040 Retail Sale of Cosmetics</p> <p>(20) F213010 Retail Sale of Electrical Appliances</p> <p>(21) F213030 Retail Sale of Computers and Clerical Machinery Equipment</p> <p>(22) F213060 Retail Sale of Telecommunication Apparatus</p> <p>(23) F214070 Retail Sale of Aircraft and Component (Spare) Parts Thereof</p> <p>(24) F218010 Retail Sale of Computer Software</p> <p>(25) I301010 Information Software Services</p> <p>(26) I301020 Data Processing Services</p> <p>(27) I401010 General Advertisement Service</p> <p>(28) I501010 Product Designing</p> <p>(29) IZ01010 Photocopy</p> <p>(30) J399010 Software Publishing</p> <p>(31) JE01010 Rental and Leasing</p> <p>(32) F401010 International Trade</p> <p>(33) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>(9) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing</p> <p>(10) CC01110 Manufacture of computers and the peripheral thereof</p> <p>(11) CC01120 Data Storage Media Manufacturing and Duplicating</p> <p>(12) CD01060 Aircraft and Parts Manufacturing</p> <p>(13) F108040 Wholesale of Cosmetics</p> <p>(14) F113020 Wholesale of Electrical Appliances</p> <p>(15) F113050 Wholesale of Computers and Clerical Machinery Equipment</p> <p>(16) F113070 Wholesale of Telecommunication Apparatus</p> <p>(17) F114070 Wholesale of Aircraft and Component Parts Thereof</p> <p>(18) F118010 Wholesale of Computer Software</p> <p>(19) F208040 Retail Sale of Cosmetics</p> <p>(20) F213010 Retail Sale of Electrical Appliances</p> <p>(21) F213030 Retail Sale of Computers and Clerical Machinery Equipment</p> <p>(22) F213060 Retail Sale of Telecommunication Apparatus</p> <p>(23) F214070 Retail Sale of Aircraft and Component (Spare) Parts Thereof</p> <p>(24) F218010 Retail Sale of Computer Software</p> <p><u>(25) G501011 Civil Air Transport</u></p> <p><u>(26) G502011 General Aviation</u></p> <p>(27) I301010 Information Software Services</p> <p>(28) I301020 Data Processing Services</p> <p>(29) I401010 General Advertisement Service</p> <p>(30) I501010 Product Designing</p> <p>(31) IZ01010 Photocopy</p> <p>(32) J399010 Software Publishing</p> <p>(33) JE01010 Rental and Leasing</p> <p>(34) F401010 International Trade</p> <p>(35) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Hence, this business item is deleted. 2.To meet the operational needs of the Company, the new business items are added. 3.Code number adjustment</p>

TECO Image Systems Co., Ltd.

Articles of Incorporation

First amended May 17, 2000
Secondly amended June 7, 2001
Third amendments adopted June 7, 2002
Fourth amendments adopted May 30, 2003
Fifth amendments adopted June 12, 2006
Sixth amendments adopted June 11, 2008
Seventh amendments adopted June 22, 2009
Eighth amendments adopted June 18, 2012
Ninth amendments adopted June 13, 2013
Tenth amendments adopted June 21, 2016
Eleventh amendments adopted June 21, 2017
Twelfth amendments adopted June 20, 2018
Thirteenth amendments adopted June 12, 2019
Fourteenth amendments adopted June 24, 2010
Fifteenth amendments adopted September 24, 2021
Sixteenth amendment adopted June 17, 2022
Seventeenth amendment adopted June 15, 2023

Chapter 1 General Provisions

Article 1:

The Company is incorporated in accordance with the Company Act and is named TECO Image Systems Co., Ltd.

Our company aims to achieve sustainable operations and promote equal rights reforms. We aspire to transform vulnerable groups in society into a stable labor force within the company, and holistically grow together with them. By doing so, we hope to promote the equal rights movement and establish a workplace that embraces inclusivity and diversity, while integrating people with disabilities.

Article 2: The scope of business of this Company is as follows:

- (1) C805050 Manufacture of industrial plastic products
- (2) C805070 Manufacture of reinforced plastic products
- (3) CB01010 Mechanical Equipment Manufacturing
- (4) CB01020 Affairs Machine Manufacturing
- (5) CB01990 Other Machinery Manufacturing
- (6) CC01030 Manufacture of electrical appliance and audio-visual electronic products
- (7) CC01060 Manufacture of cable telecommunication machinery and equipment
- (8) CC01070 Manufacture of wireless telecommunication machinery and equipment
- (9) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- (10) CC01110 Manufacture of computers and the peripheral thereof
- (11) CC01120 Data Storage Media Manufacturing and Duplicating
- (12) CD01060 Aircraft and Parts Manufacturing
- (13) F108040 Wholesale of Cosmetics
- (14) F113020 Wholesale of Electrical Appliances
- (15) F113050 Wholesale of Computers and Clerical Machinery Equipment
- (16) F113070 Wholesale of Telecommunication Apparatus
- (17) F114070 Wholesale of Aircraft and Component Parts Thereof
- (18) F118010 Wholesale of Computer Software
- (19) F208040 Retail Sale of Cosmetics
- (20) F213010 Retail Sale of Electrical Appliances
- (21) F213030 Retail Sale of Computers and Clerical Machinery Equipment
- (22) F213060 Retail Sale of Telecommunication Apparatus
- (23) F214070 Retail Sale of Aircraft and Component (Spare) Parts Thereof

- (24)F218010 Retail Sale of Computer Software
- (25)I301010 Information Software Services
- (26)I301020 Data Processing Services
- (27)I401010 General Advertisement Service
- (28)I501010 Product Designing
- (29)IZ01010 Photocopy
- (30)J399010 Software Publishing
- (31)JE01010 Rental and Leasing
- (32)F401010 International Trade
- (33)ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3:

The Company may, for the purpose of meeting business needs, authorize the Board of Directors to make investment in relevant businesses without regard to Article 13 of the Company Act.

Article 4:

The Company will have its head office located in Taipei City and the Board of Directors may set up branch offices, production facilities and retail sales sites from time to time in consideration of the business needs of the Company.

Chapter 2 Capital stocks

Article 5:

The total capital of the Company is NT\$2,500,000,000 divided into 250,000,000 shares with a par value of NT\$10 each. The Board of Directors is authorized to issue the shares in installments in consideration of the business needs of the Company.

Article 6:

The Company may issue shares without printing share certificates. All of the stocks of the Company will be duly issued as name-bearing stocks and duly registered.

Article 7:

Shareholders should submit their personal seals to the Company for inspection. If the seals are lost or replaced, the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies". The said shareholder's personal seal of record shall be used as the definitive basis for shareholders to receive dividends and bonuses or to exercise all other rights of the Company.

Article 8:

If a share certificate is lost or damaged to the extent that it cannot be identified, the shareholder shall follow the "Rules Governing the Handling of Shares of Publicly Traded Companies" to request issuance of replacement shares.

Article 9:

If a shareholder wishes to transfer their shares, they shall complete an application for transfer of shares. The transferor and the transferee shall sign and affix their personal seal to the application form and submit it to the Company for transfer. However, in the case of a request for change of name due to inheritance, the successor shall submit legal documents to support the said transfer of shares. Assignment/transfer of shares shall not be set up as a defence against the issuing company, unless name/title of the assignee/transferee have been duly memorialized on the shares, and the name/title and residence/domicile of the assignee/transferee shall have been recorded in the shareholders' roster.

Article 10:

Shareholders who apply for the exchange or replacement of share certificates may be charged a discretionary handling fee.

Article 11:

All transfer of stocks shall be suspended 60 days prior to the annual general shareholders meeting date, 30 days prior to an extraordinary shareholders meeting date, and five days prior to the date of distribution of dividends, profit-sharing or other interests.

Chapter 3 Shareholders' Meeting

Article 12

The Company will have two types of shareholders meetings:

1. A general shareholder meeting to be convened within six months after the end of each fiscal year.
2. An extraordinary shareholders meeting to be convened where necessary.

The convention of the above shareholders meetings will be notified to the shareholders 30 days prior to the meeting date of the general shareholders meeting and 15 days prior to the meeting date of the extraordinary shareholders meeting.

The shareholders' meeting can be convened by means of video conference or other methods as promulgated by the central competent authority. The procedures related to conducting the video conference shall be in accordance with the Company Act and the regulations issued by the competent authorities.

Article 13:

Each shareholder of this Company will have one vote on each share held, except those held by the Company without voting rights according to regulations.

Article 14:

Where the shareholder is unable to attend the shareholders meeting in person, he/she may appoint a proxy to act on his/her behalf at the meeting by signing the proxy form prepared by the Company. The number of votes by a proxy acting on behalf of two or more shareholders at the shareholders meeting shall not exceed the total number of votes representing 3% of the total issued shares of the Company with all excess votes disregarded, except where such proxy is a trust business or stock affairs agency institution approved by the competent securities authority.

Article 15:

Except as otherwise provided by the Company Act, the Shareholders' Meeting may be called to order on and only on the attendance by shareholders representing the majority of the total issued shares. Resolutions of the shareholders meeting shall be adopted by the majority votes at the meeting.

The resolutions of the shareholders meeting shall be recorded in the meeting minutes signed or officially sealed with the seal of the chairperson and distributed to all the shareholders within 20 days after the meeting.

The aforesaid notice of the meeting minutes may be made by public notice to the shareholders.

Article 16:

The shareholders meeting shall be presided over by a person who is legally authorized to convene the meeting. Where there are two or more conveners, they shall elect one from among themselves to preside over the meeting.

Chapter 4 Board of Directors

Article 17:

The Board of Directors of the Company will be formed by 7 to 11 Directors to be elected from among the shareholders with legal capacity. The Directors will each serve a term of office of three years and are eligible for re-election.

At least 3, and no less than one-fifth of the aforementioned directors shall be independent directors. Candidates for directors are nominated, according to Article 192-1 of the Company Law. The method for acceptance of the nomination for directors, its publication, and other related affairs will be conducted according to the Company Law, the Securities and Exchange Act, and other related law/regulation.

Article 17-1:

The total amount of shares held by all directors shall be in accordance with Article 2 of the "Financial Supervisory Commission, Executive Yuan Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

Article 17-2:

Compensations for the chairpersons and directors should be proposed by the "Compensation Committee", according to their involvement in the company's operation, the value of their contribution, and giving due regard to domestic and overseas compensation levels. The proposal will be submitted to the board of directors for approval.

Article 18:

The Directors shall elect among themselves the Chairman and Vice Chairman of the Company, and the election should be attended by over two-thirds of the directors and adopted by a majority of the directors present. When the Board establishes a Vice Chairman position, it may also elect by the same means one Director to serve as Vice Chairman. The Chairman of the Board shall be the legal representative of the Company for all purposes.

Article 18-1:

The Chairman will convene and preside over meetings of the Board of Directors except the first meeting of every new term of office which shall be convened by the Director who was elected with the highest number of votes at the relevant election. Where the Chairman is for whatever reason unable to perform his/her functions at the meeting, an acting officer shall serve in accordance with Article 208 of the Company Act. Where the Board meets by video conference, the attendance by a Director in the meeting by such video means, shall be deemed to constitute attendance.

Article 18-2:

For any meeting for the Board, notice shall be duly provided to all Directors seven days prior thereto. But in the event of an emergent reason, the meeting may be called as needed.

The aforesaid notice should include the reasons for the meeting, and be sent in writing, by email or fax.

Article 19:

Except as otherwise provided by the Company Act, the meeting of the Board of Directors may be called to order on and only on attendance of a quorum by the majority of the Directors. The resolution of the meeting of the Board of Directors shall be adopted by a quorum of the majority

votes at the meeting.

If a Director is for whatever reason unable to attend the meeting of the Board of Director in person, he/she may appoint another Director to act in his/her stead by issuing a signed proxy.

Article 20:

The function of the Board of Directors is to:

- (1) examine and determine important bylaws and contracts.
- (2) determine business operation policy.
- (3) examine and determine budgets and final accounting.
- (4) propose capital increase (reduction).
- (5) propose profit (loss) distribution plans.
- (6) determine the organization of the main business departments of the Company, appoint and discharge key managerial officers.
- (7) examine and approve purchase or disposal of important property and real estate.
- (8) perform other functions conferred upon by law, regulation or the shareholders meeting.

Article 21:

In case the vacancies on the Board of Directors exceed one third of the total number of Directors, the Board of Directors shall convene an extraordinary shareholders meeting within 60 days to elect new Directors to fill the vacancies. The new Directors shall serve the remaining term of office of their respective predecessors.

Chapter 5 Audit Committee

Article 22:

The company institutes an audit committee, consisting of all the independent directors, according to law.

The audit committee will take over the responsibilities and power of supervisors, stipulated in the Company Law, Securities Trading Law, and other laws.

An organizational charter for the audit committee shall be formulated to cover the number, term, meeting rules, and provision of resources by the company for the exercise of its duties.

Chapter 6 Managerial officers

Article 23:

The Company will have one CEO, and operational President(s), Vice President(s) and Assistant Vice President(s) to be appointed and discharged in accordance with Article 29 of the Company Act. The CEO will take general charge of the operations of the Company according to instructions from the Chairman, and the operational Presidents, Vice Presidents and Assistant Vice Presidents shall assist therein.

Chapter 7 Accounting

Article 24:

The Board of Directors shall after the end of each fiscal year produce the following reports and statements and submit the same to the Shareholders Meeting for ratification:

- (1) Business report.
- (2) Financial statement.
- (3) Proposed stock dividend of profit distribution or loss make-up plan.

Article 25:

To reward and motivate employees and the management team, if the Company makes a profit for the year, the Company shall contribute 5% to 15% of the employees' remuneration and not more than 5% of the directors' remuneration, from the Company's profit before taxation, after retaining the profit needed to cover any accumulated losses.

The actual rate of employee compensation, directors' and supervisors' compensation, and the amount of employee compensation in stock or cash shall be decided by the board of directors with the presence of a quorum of at least two-thirds of the directors and the approval of a quorum of a majority of the directors present, and reported to the shareholders' meeting. Employees' remuneration in the form of stock or cash shall include employees of subordinate companies who meet certain specified criteria.

Article 25-1:

The Company's annual profit, should it appear in the final accounts, shall be used, in descending order:

- (1) In paying taxes,
- (2) Making up for accumulated loss,
- (3) 10% shall be set aside as legal reserve, except when the legal reserve has reached the total capital of the Company.
- (4) Special reserve shall be set aside in accordance with the relevant laws and regulations or the resolution of the shareholders' meeting.
- (5) The unappropriated earnings and special reserve reversed at the beginning of the period of consolidation represent the accumulated distributable earnings of shareholders. The board of directors is authorized to distribute all or part of the dividends and bonuses payable in cash to shareholders by a resolution of the board of directors with a quorum of two-thirds or more of the directors present and a quorum of a majority of the directors present, and to report to the shareholders' meeting.

In principle, earnings are distributed based on the current year's net income. However, considering the principle of dividend balance, if the current year's net income is not sufficient for distribution, the Company may use prior years' undistributed earnings for distribution.

In consideration of future expansion plans and cash flow requirements, the Company may distribute earnings in the form of cash dividends or stock dividends, with cash dividends of not less than 5% of the total dividends.

Chapter 8 Supplemental Provisions

Article 26:

The rules governing the organization of the Company shall be prescribed by the Board of Directors.

Article 27:

Matters not provided herein shall be in accordance with the Company Act and the relevant laws and regulations.

Article 28:

These Articles of Incorporation were established on August 16, 1997 by a meeting of the incorporators with the consent of all the incorporators.

Appendix 1: Rules of Procedure for Shareholders Meetings

TECO Image Systems Co., Ltd.

Rules of Procedure for Shareholders Meetings

Article 1:

The rules of procedures for this Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2:

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

For shareholders participating via video conference, the shareholder should register on the Shareholder meeting video conference platform thirty minutes prior to convening the meeting, and those shareholders who complete such registration, shall be deemed to be attending the Shareholder meeting in person.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.

Attendance (quorums) and voting at a shareholders meeting shall be calculated based on the number of shares. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to be present at a shareholders meeting.

Personnel administering affairs at the Shareholders' Meeting shall each wear a tag or badge bearing their designation.

Article 3:

The chairperson shall call the meeting to order as scheduled, provided that where the number of shares represented at the meeting is less than the majority of the total issued shares, the chairperson may announce to postpone calling the meeting to order twice and only twice for not more than one hour in total. If the requisite shareholding quorum is still not met after the postponement duration has expired but the number of shares represented at the meeting exceed one third of the total issued shares, temporary resolutions may be adopted in accordance with the first paragraph of Article 175 of the Company Act. If the number of shares represented at the meeting represents the majority of the total issued shares before the meeting is adjourned, the chairperson shall present the temporary resolutions adopted, for ratification voting pursuant to Article 174 of the Company Act.

Article 4:

The shareholders meeting shall be convened at the place where the Company is located or any other appropriate place convenient for the shareholders to attend and shall be called to order no earlier than 9:00AM and no later than 3:00PM on the meeting date.

When the Company holds the Shareholders meetings by video conference, no restrictions under the aforesaid caveat as to location shall apply.

Article 5:

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to

exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.

Article 6:

The Company shall audio or video record the entire Shareholders meeting and preserve same for at least one year, and when Shareholder meetings are conducted by video conference they shall be completely audio and video recorded, and appropriately preserved while held by the Company. The audio and video records shall also be preserved by the entity retained to conduct the video conference meeting.

Article 7:

Where the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors and the meeting shall proceed according to the agenda except as otherwise changed by a resolution adopted by the Shareholders' Meeting.

Where the Shareholders' Meeting is convened by any person legally authorized to do so other than the Board of Directors, the preceding paragraph shall apply mutatis mutandis.

The chairperson shall not forthwith announce adjournment of the meeting before the agenda provided in the two preceding paragraphs (including ex tempore motions) is duly completed, except on the resolution adopted by the Shareholders' Meeting for him/her to do so.

No shareholders shall elect a chairperson to continue the meeting at the same place or elsewhere after the meeting is duly pronounced adjourned.

If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders may elect a new chair by agreement of a majority of the votes represented, and then continue the meeting.

Article 8:

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

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

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

Article 9:

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

An institutional entity who is to attend the Shareholders' Meeting in proxy may appoint one and only one representative to attend the meeting.

The representatives in attendance of a juristic person shareholder shall be no more than the number of the seats it occupies in the current Board of Directors.

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

Article 10:

Where a virtual shareholders meeting is convened by video conference, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 8 to 9 shall not apply thereto.

Article 11:

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. The chairperson may announce to conclude the discussion on a proposal as he/she sees fit and submit the proposal to voting for resolution.

Article 12:

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The voting results shall be immediately reported and a concomitant record thereof shall be memorialized.

Article 13:

When a meeting is in progress, the chair may announce a break for such time as needed.

Article 14:

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.

If shareholders exercising voting rights in written or electronic method don't express objection and the chairperson doesn't receive objection from attending shareholders, the proposal will be deemed as receiving approval in entirety as if by a physical vote.

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.

When the Company convenes a virtual shareholders meeting via video conference, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session as having ended, or will be deemed to have abstained from voting.

Article 15:

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

Article 16:

Shareholders (or their representatives) shall adhere to instructions from the chairperson, or proctors (or security personnel) regarding maintaining an orderly meeting. Any person who interrupts the Shareholders meeting, may be removed by the chairperson or proctors (or security personnel).

Article 17:

These Rules shall take effect upon their adoption by the Shareholders meeting, and any amendments shall be likewise treated.

Article 18:

These Rules were adopted on April 23, 1998.

These Rules were first amended on June 7, 2002.

These Rules were second amended on June 24, 2020.

These Rules were thirdly amended on June 17, 2022.

Appendix 2: Articles of Incorporation(original provisions)

TECO Image Systems Co., Ltd. Articles of Incorporation

First amended May 17, 2000
Secondly amended June 7, 2001
Third amendments adopted June 7, 2002
Fourth amendments adopted May 30, 2003
Fifth amendments adopted June 12, 2006
Sixth amendments adopted June 11, 2008
Seventh amendments adopted June 22, 2009
Eighth amendments adopted June 18, 2012
Ninth amendments adopted June 13, 2013
Tenth amendments adopted June 21, 2016
Eleventh amendments adopted June 21, 2017
Twelfth amendments adopted June 20, 2018
Thirteenth amendments adopted June 12, 2019
Fourteenth amendments adopted June 24, 2020
Fifteenth amendments adopted September 24, 2021
Sixteenth amendment adopted June 17, 2022

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and is named TECO Image Systems Co., Ltd.

Article 2: The scope of business of this Company is as follows:

- (1) C805050 Manufacture of industrial plastic products
- (2) C805070 Manufacture of reinforced plastic products
- (3) CB01010 Mechanical Equipment Manufacturing
- (4) CB01020 Affairs Machine Manufacturing
- (5) CB01990 Other Machinery Manufacturing
- (6) CC01030 Manufacture of electrical appliance and audio-visual electronic products
- (7) CC01060 Manufacture of cable telecommunication machinery and equipment
- (8) CC01070 Manufacture of wireless telecommunication machinery and equipment
- (9) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- (10) CC01110 Manufacture of computers and the peripheral thereof
- (11) CC01120 Data Storage Media Manufacturing and Duplicating
- (12) CD01060 Aircraft and Parts Manufacturing
- (13) F108040 Wholesale of Cosmetics
- (14) F113020 Wholesale of Electrical Appliances
- (15) F113050 Wholesale of Computers and Clerical Machinery Equipment
- (16) F113070 Wholesale of Telecommunication Apparatus
- (17) F114070 Wholesale of Aircraft and Component Parts Thereof
- (18) F118010 Wholesale of Computer Software
- (19) F208040 Retail Sale of Cosmetics
- (20) F213010 Retail Sale of Electrical Appliances
- (21) F213030 Retail Sale of Computers and Clerical Machinery Equipment
- (22) F213060 Retail Sale of Telecommunication Apparatus
- (23) F214070 Retail Sale of Aircraft and Component (Spare) Parts Thereof
- (24) F218010 Retail Sale of Computer Software
- (25) G501011 Civil Air Transport
- (26) G502011 General Aviation
- (27) I301010 Information Software Services
- (28) I301020 Data Processing Services
- (29) I401010 General Advertisement Service

- (30)I501010 Product Designing
- (31)IZ01010 Photocopy
- (32)J399010 Software Publishing
- (33)JE01010 Rental and Leasing
- (34)F401010 International Trade
- (35)ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3:

The Company may, for the purpose of meeting business needs, authorize the Board of Directors to make investment in relevant businesses without regard to Article 13 of the Company Act.

Article 4:

The Company will have its head office located in Taipei City and the Board of Directors may set up branch offices, production facilities and retail sales sites from time to time in consideration of the business needs of the Company.

Chapter 2 Capital stocks

Article 5:

The total capital of the Company is NT\$2,500,000,000 divided into 250,000,000 shares with a par value of NT\$10 each. The Board of Directors is authorized to issue the shares in installments in consideration of the business needs of the Company.

Article 6:

The Company may issue shares without printing share certificates. All of the stocks of the Company will be duly issued as name-bearing stocks and duly registered.

Article 7:

Shareholders should submit their personal seals to the Company for inspection. If the seals are lost or replaced, the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies". The said shareholder's personal seal of record shall be used as the definitive basis for shareholders to receive dividends and bonuses or to exercise all other rights of the Company.

Article 8:

If a share certificate is lost or damaged to the extent that it cannot be identified, the shareholder shall follow the "Rules Governing the Handling of Shares of Publicly Traded Companies" to request issuance of replacement shares.

Article 9:

If a shareholder wishes to transfer their shares, they shall complete an application for transfer of shares. The transferor and the transferee shall sign and affix their personal seal to the application form and submit it to the Company for transfer. However, in the case of a request for change of name due to inheritance, the successor shall submit legal documents to support the said transfer of shares. Assignment/transfer of shares shall not be set up as a defence against the issuing company, unless name/title of the assignee/transferee have been duly memorialized on the shares, and the name/title and residence/domicile of the assignee/transferee shall have been recorded in the shareholders' roster.

Article 10:

Shareholders who apply for the exchange or replacement of share certificates may be charged a discretionary handling fee.

Article 11:

All transfer of stocks shall be suspended 60 days prior to the annual general shareholders meeting date, 30 days prior to an extraordinary shareholders meeting date, and five days prior to the date of distribution of dividends, profit-sharing or other interests.

Chapter 3 Shareholders' Meeting

Article 12

The Company will have two types of shareholders meetings:

1. A general shareholder meeting to be convened within six months after the end of each fiscal year.
2. An extraordinary shareholders meeting to be convened where necessary.

The convention of the above shareholders meetings will be notified to the shareholders 30 days prior to the meeting date of the general shareholders meeting and 15 days prior to the meeting date of the extraordinary shareholders meeting.

The shareholders' meeting can be convened by means of video conference or other methods as promulgated by the central competent authority. The procedures related to conducting the video conference shall be in accordance with the Company Act and the regulations issued by the competent authorities.

Article 13:

Each shareholder of this Company will have one vote on each share held, except those held by the Company without voting rights according to regulations.

Article 14:

Where the shareholder is unable to attend the shareholders meeting in person, he/she may appoint a proxy to act on his/her behalf at the meeting by signing the proxy form prepared by the Company. The number of votes by a proxy acting on behalf of two or more shareholders at the shareholders meeting shall not exceed the total number of votes representing 3% of the total issued shares of the Company with all excess votes disregarded, except where such proxy is a trust business or stock affairs agency institution approved by the competent securities authority.

Article 15:

Except as otherwise provided by the Company Act, the Shareholders' Meeting may be called to order on and only on the attendance by shareholders representing the majority of the total issued shares. Resolutions of the shareholders meeting shall be adopted by the majority votes at the meeting.

The resolutions of the shareholders meeting shall be recorded in the meeting minutes signed or officially sealed with the seal of the chairperson and distributed to all the shareholders within 20 days after the meeting.

The aforesaid notice of the meeting minutes may be made by public notice to the shareholders.

Article 16:

The shareholders meeting shall be presided over by a person who is legally authorized to convene the meeting. Where there are two or more conveners, they shall elect one from among themselves to preside over the meeting.

Chapter 4 Board of Directors

Article 17:

The Board of Directors of the Company will be formed by 7 to 11 Directors to be elected from among

the shareholders with legal capacity. The Directors will each serve a term of office of three years and are eligible for re-election.

At least 3, and no less than one-fifth of the aforementioned directors shall be independent directors. Candidates for directors are nominated, according to Article 192-1 of the Company Law. The method for acceptance of the nomination for directors, its publication, and other related affairs will be conducted according to the Company Law, the Securities and Exchange Act, and other related law/regulation.

Article 17-1:

The total amount of shares held by all directors shall be in accordance with Article 2 of the "Financial Supervisory Commission, Executive Yuan Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

Article 17-2:

Compensations for the chairpersons and directors should be proposed by the "Compensation Committee", according to their involvement in the company's operation, the value of their contribution, and giving due regard to domestic and overseas compensation levels. The proposal will be submitted to the board of directors for approval.

Article 18:

The Directors shall elect among themselves the Chairman and Vice Chairman of the Company, and the election should be attended by over two-thirds of the directors and adopted by a majority of the directors present. When the Board establishes a Vice Chairman position, it may also elect by the same means one Director to serve as Vice Chairman. The Chairman of the Board shall be the legal representative of the Company for all purposes.

Article 18-1:

The Chairman will convene and preside over meetings of the Board of Directors except the first meeting of every new term of office which shall be convened by the Director who was elected with the highest number of votes at the relevant election. Where the Chairman is for whatever reason unable to perform his/her functions at the meeting, an acting officer shall serve in accordance with Article 208 of the Company Act. Where the Board meets by video conference, the attendance by a Director in the meeting by such video means, shall be deemed to constitute attendance.

Article 18-2:

For any meeting for the Board, notice shall be duly provided to all Directors seven days prior thereto. But in the event of an emergent reason, the meeting may be called as needed. The aforesaid notice should include the reasons for the meeting, and be sent in writing, by email or fax.

Article 19:

Except as otherwise provided by the Company Act, the meeting of the Board of Directors may be called to order on and only on attendance of a quorum by the majority of the Directors. The resolution of the meeting of the Board of Directors shall be adopted by a quorum of the majority votes at the meeting.

If a Director is for whatever reason unable to attend the meeting of the Board of Director in person, he/she may appoint another Director to act in his/her stead by issuing a signed proxy.

Article 20:

The function of the Board of Directors is to:

- (1) examine and determine important bylaws and contracts.
- (2) determine business operation policy.
- (3) examine and determine budgets and final accounting.
- (4) propose capital increase (reduction).
- (5) propose profit (loss) distribution plans.
- (6) determine the organization of the main business departments of the Company, appoint and discharge key managerial officers.
- (7) examine and approve purchase or disposal of important property and real estate.
- (8) perform other functions conferred upon by law, regulation or the shareholders meeting.

Article 21:

In case the vacancies on the Board of Directors exceed one third of the total number of Directors, the Board of Directors shall convene an extraordinary shareholders meeting within 60 days to elect new Directors to fill the vacancies. The new Directors shall serve the remaining term of office of their respective predecessors.

Chapter 5 Audit Committee

Article 22:

The company institutes an audit committee, consisting of all the independent directors, according to law.

The audit committee will take over the responsibilities and power of supervisors, stipulated in the Company Law, Securities Trading Law, and other laws.

An organizational charter for the audit committee shall be formulated to cover the number, term, meeting rules, and provision of resources by the company for the exercise of its duties.

Chapter 6 Managerial officers

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The Company will have one CEO, and operational President(s), Vice President(s) and Assistant Vice President(s) to be appointed and discharged in accordance with Article 29 of the Company Act. The CEO will take general charge of the operations of the Company according to instructions from the Chairman, and the operational Presidents, Vice Presidents and Assistant Vice Presidents shall assist therein.

Chapter 7 Accounting

Article 24:

The Board of Directors shall after the end of each fiscal year produce the following reports and statements and submit the same to the Shareholders Meeting for ratification:

- (1) Business report.
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- (3) Proposed stock dividend of profit distribution or loss make-up plan.

Article 25:

To reward and motivate employees and the management team, if the Company makes a profit for the year, the Company shall contribute 5% to 15% of the employees' remuneration and not more than 5% of the directors' remuneration, from the Company's profit before taxation, after retaining

the profit needed to cover any accumulated losses.

The actual rate of employee compensation, directors' and supervisors' compensation, and the amount of employee compensation in stock or cash shall be decided by the board of directors with the presence of a quorum of at least two-thirds of the directors and the approval of a quorum of a majority of the directors present, and reported to the shareholders' meeting. Employees' remuneration in the form of stock or cash shall include employees of subordinate companies who meet certain specified criteria.

Article 25-1:

The Company's annual profit, should it appear in the final accounts, shall be used, in descending order:

- (1) In paying taxes,
- (2) Making up for accumulated loss,
- (3) 10% shall be set aside as legal reserve, except when the legal reserve has reached the total capital of the Company.
- (4) Special reserve shall be set aside in accordance with the relevant laws and regulations or the resolution of the shareholders' meeting.
- (5) The unappropriated earnings and special reserve reversed at the beginning of the period of consolidation represent the accumulated distributable earnings of shareholders. The board of directors is authorized to distribute all or part of the dividends and bonuses payable in cash to shareholders by a resolution of the board of directors with a quorum of two-thirds or more of the directors present and a quorum of a majority of the directors present, and to report to the shareholders' meeting.

In principle, earnings are distributed based on the current year's net income. However, considering the principle of dividend balance, if the current year's net income is not sufficient for distribution, the Company may use prior years' undistributed earnings for distribution.

In consideration of future expansion plans and cash flow requirements, the Company may distribute earnings in the form of cash dividends or stock dividends, with cash dividends of not less than 5% of the total dividends.

Chapter 8 Supplemental Provisions

Article 26:

The rules governing the organization of the Company shall be prescribed by the Board of Directors.

Article 27:

Matters not provided herein shall be in accordance with the Company Act and the relevant laws and regulations.

Article 28:

These Articles of Incorporation were established on August 16, 1997 by a meeting of the incorporators with the consent of all the incorporators.

Appendix 3: Shareholdings for all the Company's Directors

TECO Image Systems Co., Ltd.

Shareholding of All Directors

1. Paid in capital of the Company: NT\$1,125,365,650

Total number of shares issued at present: 112,536,565 shares.

2. The legal minimum number of shares to be held by all Directors: 8,000,000 shares

3. All Directors and their share holdings are as follows:

Data as of: April 17, 2023

Position	Name	Date when elected	Number of shares held when elected		Number of shares held on the date of suspension of share transfer	
			Number of shares held	%	Number of shares held	%
Chairman	KO, IKUJIN	September 24, 2021	478,686	0.43%	478,686	0.43%
Director	Fang, Song Ren	September 24, 2021	0	0.00%	0	0.00%
Director	Chang, Chung-Te	September 24, 2021	0	0.00%	0	0.00%
Vice-Chairman	Creative Sensor Inc. Representative: Wang, En-Kuo	September 24, 2021	28,142,000	25.01%	33,408,000	29.69%
Director	Koryo Electronics Co., Ltd Representative: Chen, Chien-Lung	September 24, 2021	6,982,000	6.20%	11,425,000	10.15%
Director	TECO International Investments Co., Ltd. Representative: Ho, Chi-Yin	September 24, 2021	6,377,052	5.67%	6,377,052	5.67%
Director	KUANG YUAN CO., LTD. Representative: Kao, Tung-Hai	September 24, 2021	4,771,631	4.24%	4,771,631	4.24%
Independent Director	Tan, Yao-Nan	September 24, 2021	0	0.00%	0	0.00%
Independent Director	Lu, Wen-Tsung	September 24, 2021	0	0.00%	0	0.00%
Independent Director	Hsu, Wan-Chi	September 24, 2021	0	0.00%	0	0.00%
Independent Director	Yang, Pei-Chieh	September 24, 2021	0	0.00%	0	0.00%
Total number of shares held by all Directors			46,751,369	41.54%	56,460,369	50.17%

Thank you for participating in the Shareholders' General Meeting,
your comments and suggestions are most welcome anytime!