



Stock Code: 6913

# VSO Electronics Co., Ltd.

## Handbook for the 2025 Annual Meeting of Shareholders

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

Convening method : physical shareholders' meeting

Date & Time : Monday, May 12, 2025, at 10:30 a.m.

Venue : 13F, No. 95, Section 2, Zhongxiao East Road, Taipei City  
(Mega Securities Head Office Conference Room)

**VSO Electronics Co., Ltd.**  
**2025 Shareholders' Meeting Agenda Manual**  
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# **I 、 Meeting Procedure**

1 、 Call the Meeting to Order

2 、 Chairperson Remarks

3 、 Reported matters

4 、 Election matters

5 、 Acknowledged matters

6 、 Matters for Discussion

7 、 Questions and Motions

8 、 Adjournment

## **II 、 Agenda of the meeting**

Date & Time : Monday, May 12, 2025, at 10:30 a.m.

Venue : 13F, No. 95, Section 2, Zhongxiao East Road, Taipei City  
(Mega Securities Head Office Conference Room)

1 、 Call the Meeting to Order

2 、 Chairperson Remarks

3 、 Reported matters

- (1) 2024 Business Report
- (2) Audit Committee's Review Report on the 2024 Financial Statements
- (3) Report on 2024 Cash Dividend Distribution
- (4) Report on 2024 Employee and Directors' Compensation Distribution
- (5) Report on Significant Related Party Transactions in 2024
- (6) Report on Revisions to the " Board of Directors' Meeting Rules "

4 、 Election matters

- (1) Comprehensive Re-election of Directors

5 、 Acknowledged matters

- (1) Approval of the 2024 Business Report and Financial Statements
- (2) Approval of the 2024 Earnings Distribution Proposal

6 、 Matters for Discussion

- (1) Amendments to the Articles of Incorporation
- (2) Proposal for Capital Increase via Surplus Capitalization
- (3) Proposal for Issuance of Below-Market Employee Stock Options
- (4) Proposal to Lift the Non-Compete Restrictions on Newly Elected Directors and Their Representatives

7 、 Questions and Motions

8 、 Adjournmen

## **Reported matters**

### **Report No. 1** 2024 Business Report.

**Explanation :** The 2024 Business Report can be found on pages 9-12 of this manual [Annexes I].

### **Report No. 2** Audit Committee's Review Report on the 2024 Financial Statements.

**Explanation :** The Audit Committee Review Report can be found on page 13 of this manual [Annexes II].

### **Report No. 3** Report on 2024 Cash Dividend Distribution.

**Explanation :** 1. It is proposed to distribute a cash dividend of NT\$2 per share (rounded down to the nearest dollar), totaling NT\$83,433,072. Any fractional amounts less than NT\$1 resulting from the distribution will be adjusted by rounding up based on the decimal value, from largest to smallest, until the total amount is fully allocated. The ex-dividend date, payment date, and other related matters are authorized to be handled at the full discretion of the chairman.

2. If changes in the company's share capital affect the number of outstanding shares, thereby altering the dividend distribution ratio, the chairman is authorized to make adjustments accordingly.

### **Report No. 4** Report on 2024 Employee and Directors' Compensation Distribution.

**Explanation :** 1. In accordance with the company's Articles of Incorporation, the proposed distribution for 2024 includes employee compensation of NT\$8,448,919 and director compensation of NT\$3,747,954, both to be paid entirely in cash. The payment schedule is authorized to be handled at the full discretion of the chairman.

2. The distributed amounts are consistent with the estimated expenses recognized in the financial statements for the year.

### **Report No. 5** Report on Significant Related Party Transactions in 2024.

**Explanation :** The execution of material transactions between the company, its subsidiaries, and related parties in 2024 can be found on pages 14-16 of this manual [Annexes III].

### **Report No. 6** Report on Revisions to the " Board of Directors' Meeting Rules ".

**Explanation :** 1. In compliance with the Financial Supervisory Commission's directive No. 1120383996, certain provisions of the company's "Rules of Procedure for Board of Directors Meetings" are proposed to be amended.

2. A comparison table of the revised provisions can be found on pages 17-29 of this manual [Annexes IV].

## **Election matters**

### **Proposal No. 1 (Proposed by the Board)**

Comprehensive Re-election of Directors.

- Explanation :**
1. The current term of the board of directors will expire on December 7, 2025. It is proposed that a comprehensive re-election of directors be held at this shareholders' meeting. The newly elected directors will assume office immediately, with a term of three years, from May 12, 2025, to May 11, 2028.
  2. According to Article 14 of the company's articles of incorporation, a total of nine directors (including four independent directors) are to be elected. The election will follow the candidate nomination system, and candidates for both regular and independent directors will be selected from the list approved by the board of directors. Please refer to pages 30-35 of this manual [Annexes V].

**Election Result :**

## **Acknowledged matters**

### **Proposal No. 1 (Proposed by the Board)**

Approval of the 2024 Business Report and Financial Statements.

- Explanation :**
1. The company's 2024 Business Report, Consolidated Financial Statements, and Standalone Financial Statements have been completed.
  2. Attached are the 2024 Business Report and the audit reports issued by CPAs Yeh Shu-Juan and Huang Kuo-Ning of Deloitte & Touche. Please refer to pages 9-12 [Annexes I] and pages 36-58 [Annexes VI] of this manual.
  3. This proposal has been approved by the Board of Directors, audited and certified by the accountants, reviewed by the Audit Committee, and is now submitted to the Annual General Meeting of Shareholders for approval.
  4. Approval is respectfully requested.

**Resolution :**

### **Proposal No. 2 (Proposed by the Board)**

Approval of the 2024 Earnings Distribution Proposal.

- Explanation :** 1. The company's net profit after tax for 2024 is NT\$185,571,340. It is proposed to distribute a cash dividend of NT\$2 per share and a stock dividend of NT\$0.5 per share, totaling NT\$2.5 per share. The total distribution amount is NT\$104,291,342, with the remaining undistributed earnings amounting to NT\$297,250,064. For details, please refer to the 2024 Earnings Distribution Table on page 59 of this manual [Annexes VII].
2. Any fractional cash dividend amount less than NT\$1 will be rounded up based on the decimal value, from largest to smallest, until the total amount is fully allocated.
3. If changes in the company's share capital affect the number of outstanding shares, thereby altering the dividend distribution ratio, the chairman is authorized to make necessary adjustments.
4. Approval is respectfully requested.

**Resolution :**

## **Matters for Discussion**

### **Proposal No. 1 (Proposed by the Board)**

Amendments to the Articles of Incorporation.

- Explanation :** 1. In accordance with the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act, it is proposed to amend certain provisions of the company's "Articles of Incorporation."
2. The comparison table of the amended provisions can be found on page 60 of this manual [Annexes VIII].

**Resolution :**

### **Proposal No. 2 (Proposed by the Board)**

Proposal for Capital Increase via Surplus Capitalization.

- Explanation :** 1. The company proposes to allocate NT\$20,858,270 from the distributable earnings of the fiscal year 2024 to issue 2,085,827 new shares through a capital increase. After the capital increase, the total share capital will amount to NT\$438,023,630.
2. In this capital increase, original shareholders will receive new shares in proportion to their holdings as recorded in the shareholder registry on the record date for the allotment, at a rate of 50 new shares per 1,000 shares held. Any fractional shares resulting from the allotment will be handled by shareholders, who must register for fractional share consolidation with the company's stock transfer agent within five days after the book closure date. If not consolidated within the period or if the consolidation still results in fewer than one share, the company will buy back the fractional shares in cash at face value, rounded down to the nearest dollar, in

accordance with Article 240 of the Company Act, and the shareholders meeting will authorize the chairman to negotiate with specific individuals for the purchase of these shares at face value.

3. The rights and obligations of the new shares to be issued in this capital increase will be the same as those of the company's already issued common shares.
4. If future changes in the share capital affect the number of outstanding shares, and this causes a change in the shareholders' allotment ratio, the chairman is authorized to adjust accordingly.
5. Upon approval by the shareholders' meeting, the board of directors will be authorized to handle the record date for the capital increase and any other unresolved matters in accordance with relevant laws and regulations.

## **Resolution :**

### **Proposal No. 3 (Proposed by the Board)**

Proposal for Issuance of Below-Market Employee Stock Options.

**Explanation :** 1. In accordance with Article 28-3 of the Securities and Exchange Act and Article 56-1 of the "Guidelines for the Handling of Securities Offering and Issuance by Issuers," the company proposes to issue employee stock options at a price lower than the market value.

2. Based on Article 56-1 of the "Guidelines for the Handling of Securities Offering and Issuance by Issuers," the company proposes to issue 300,000 shares of employee stock options at a price lower than the market value. Please refer to pages 61-66 of this manual [Annexes IX]. The details are as follows:

- (1) Total number of units to be issued: 300 units.
- (2) Number of shares per unit of stock options: 1,000 shares.
- (3) Total number of new shares to be issued: 300,000 shares.
- (4) Basis and reasonableness of the exercise price:

The exercise price will be set at no less than 60% of the closing price of the common stock on the issuance date of the stock options.

Considering the company's selection, retention, and incentive effects, while also protecting shareholders' interests, the stock options will be exercisable in installments according to the prescribed ratio after two years from the issuance date. Therefore, setting the exercise price below the market price is considered reasonable.

- (5) Eligibility criteria and number of shares that can be purchased by the option holders:
  - (a) The recipients of the employee stock options will include employees of the company and its subsidiaries who meet certain criteria. Employees refer to full-time and part-time, permanent or temporary employees of the company, whether domestic or



foreign, who receive a salary from the company. This excludes outsourced personnel and directors who are not employees.

- (b) The eligibility cutoff date will be determined by the chairman. The actual eligible employees and the number of shares they may purchase will be allocated based on factors such as years of service, job position, work performance, overall contributions, special achievements, or other management considerations. The allocation will be reviewed and approved by the chairman and then submitted to the board of directors for approval. For directors or managers, approval from the Compensation Committee will be required before presenting it to the board of directors; for employees without managerial positions, approval from the Audit Committee is required before being submitted to the board of directors.
  - (c) In accordance with Article 56-1, Paragraph 1 of the "Guidelines for the Handling of Securities Offering and Issuance by Issuers," the total number of shares that a single option holder may purchase, when combined with any new shares acquired by the option holder, must not exceed 0.3% of the total issued shares, and the number of shares purchasable by any single option holder must not exceed 1% of the total issued shares.
- (6) Justification for the issuance of employee stock options:
- The purpose is to attract and retain the necessary talent, motivate employees, and enhance employee cohesion, with the goal of creating shared benefits for both the company and its shareholders.
- (7) Impact on shareholders' rights and interests:
- (a) Estimated cost and impact on the company's earnings per share (EPS) dilution:

Using the closing price of NT\$143 on March 7, 2025, as the stock price on the issuance date, the option evaluation model estimates the following annual expense amortization from 2025 to 2028: NT\$5.278 million, NT\$9.048 million, NT\$5.919 million, and NT\$1.535 million, totaling NT\$21.780 million. The annual dilution of earnings per share from 2025 to 2028 is estimated at NT\$0.01, NT\$0.02, NT\$0.01, and NT\$0.00, totaling NT\$0.05 per share.
  - (b) If existing shares are used for the exercise of stock options, the financial burden on the company must be explained: Not applicable.

## **Resolution:**

### **Proposal No. 4 (Proposed by the Board)**

Proposal to Lift the Non-Compete Restrictions on Newly Elected Directors and Their Representatives.

**Explanation :** 1. According to Article 209 of the Company Act, if a director engages in activities within the company's business scope on their own or on behalf of others, they must explain the key details of such activities to the shareholders' meeting and obtain approval.

2. It is proposed that the shareholders' meeting approve the lifting of non-compete restrictions for the newly elected directors in this election. Please refer to pages 67-69 of this manual [Annexes X] for details.

**Resolution :**

## **Questions and Motions**

## **Adjournment**

## VSO Electronics Co., Ltd.

## 2024 Business Report

The global economic environment in 2024 has been full of challenges, with inflationary pressures, geopolitical risks, and supply chain changes significantly impacting industries. Our company primarily focuses on the research, development, and manufacturing of high-end general-purpose server connection cables. Benefiting from the growing demand for AI, cloud computing, and high-performance computing (HPC), market demand for high-speed, high-frequency, and low-latency cable assembly technologies continues to rise. Looking back on the past year, we have steadily enhanced our product technology capabilities, strengthened research and development innovation, optimized production efficiency, and deepened our collaboration with customers to maintain stable profitability in response to the rapidly evolving technology industry.

Below, we present to our shareholders the 2024 operational results and an overview of the 2025 business plan :

**I. 2024 Business Report :****(1) Operational Results :**

The company's consolidated net operating revenue for 2024 was NT\$2,162,996 thousand, an increase of approximately 19.10% compared to the consolidated net operating revenue of NT\$1,816,150 thousand in 2023. The consolidated net profit after tax was NT\$197,315 thousand, with NT\$185,572 thousand attributable to the parent company. Earnings per share after tax were NT\$4.78.

**(2) Financial Performance and Profitability Analysis :**

Unit: NT\$ thousand, %

Item / Year		2024	2023
Financial Income and Expenditure	Net cash inflow from operating activities (in thousands)	50,405	288,761
	Net cash outflow from investment activities (in thousands)	(401,271)	(180,726)
	Net cash inflow (outflow) from financing activities(in thousands)	139,891	(113,165)
profitability	Return on Assets (%)	9.42	6.55
	Return on Equity (%)	14.88	11.29
	Pre-tax profit to paid-in capital (%)	61.74	42.33
	Net profit margin (%)	9.12	6.81
	Earnings per share (NT\$)	4.78	3.05

(3) Research and Development Overview :

The group's R&D expenditure for 2024 was NT\$95,648 thousand, an increase of 23.78% from the previous year, accounting for 4.42% of consolidated revenue. Moving forward, we will continue to strengthen research and development efforts.

## **II. 2025 Business Plan Overview :**

(i) Business Strategies

- (1) Continue focusing on the six major industries under the iSMART strategy in 2025.
- (2) Initiate factory construction in Hanoi, Vietnam, to meet customers' supply chain strategy needs.
- (3) Implement SAP in Taipei and China to replace the existing mid-sized ERP system, integrating it with intelligent systems to improve overall efficiency and align with international manufacturers' expectations for suppliers to adopt global ERP systems.
- (4) In response to AI's rapid development, continue investing in and developing high-speed data center cable product lines, transitioning from a technology-intensive development phase to a capital-intensive mass production phase, with increased focus on hiring high-end technical talent and optimizing management systems.
- (5) Launch the Vietnam solar energy project, including company establishment, investment, and project execution.

(ii) Production and Sales Overview & Policies

- (1) Expand high-speed cable production equipment at the Ji'an and Bac Ninh plants in response to growing orders.
- (2) Actively develop Vietnamese suppliers and encourage partners to establish local manufacturing facilities for supply proximity.
- (3) Strengthen supplier guidance to comply with ESG regulations, particularly regarding carbon footprint tracking and carbon neutrality planning.
- (4) Continue deepening investments in high-speed internal cables for data centers and cloud servers, extending into high-speed backplane cables for cabinets, and expanding into markets for vehicle Fleet Management Systems (FMS) and Advanced Driver Assistance Systems (ADAS).
- (5) Establish a new energy product business unit, with three project sites in northern Vietnam beginning construction in 2025.

(iii) Research and Development Plans

- (1) Development of high-speed cables (56Gbps and above), including the introduction of high-foaming Teflon extrusion machines and fully automated assembly.

- (2) Establishing manufacturing technology and testing equipment for high-voltage, high-current harnesses.
- (3) Development of specialty cables, such as low-smoke halogen-free (LSHF) cables for data centers, materials compatible with immersion cooling systems, and biocompatible materials for medical harnesses.
- (4) Providing comprehensive solutions for Fleet Management Systems (FMS) and On-Board Diagnostics (OBDII) harnesses.
- (5) Development of new energy product solutions.
- (iv) Impact of External Competition, Regulatory Environment, and Macroeconomic Factors
  - (1) External Competitive Environment
 

The global server market is becoming increasingly competitive, with major brands actively advancing high-performance computing (HPC), AI servers, and cloud data center development. This drives upgrades in internal signal connection technologies and market demand. However, trends toward localized supply chains and large customers integrating upstream suppliers may pressure small- and medium-sized suppliers.
  - (2) Regulatory Environment
 

Regulations on environmental protection and safety for electronic product supply chains are tightening worldwide, including EU RoHS and REACH regulations and U.S. tariffs and bans on Chinese-manufactured products. These affect supply chain costs and layouts. Additionally, changes in international trade policies—particularly the U.S.-China tech war’s impact on the server industry chain—could lead to shifts in customer procurement strategies, influencing market demand and supply chain stability.
  - (3) Macroeconomic Environment
 

Global economic recovery remains uncertain due to high inflation and geopolitical risks. The U.S. Federal Reserve’s interest rate policies could affect corporate capital expenditures and the growth rate of cloud computing markets. Meanwhile, the rapid development of AI applications is boosting demand for high-end servers. Overall, the market presents both opportunities and risks, requiring the company to strengthen R&D and supply chain resilience to maintain competitiveness.
- (v) Commitment to Sustainability Goals
  - (1) Obtain ISO 50001 energy management system certification by the end of 2024 and

implement energy-saving initiatives across all facilities.

- (2) Acquire ISO 27001 international information security certification to ensure compliance and secure company data.
- (3) Continue sponsoring the "Yilan County Cycling Association" youth training program as part of corporate social responsibility.
- (4) Strengthen risk management and disclose and implement ESG initiatives as required by regulations.
- (5) Continue promoting various sustainability-related certifications.

(vi) Future Outlook and Strategies

Looking ahead, the demand for high-speed connection cable technology will continue to grow alongside AI computing, cloud infrastructure, and 5G applications. Our company will persist in R&D innovation, enhance product technological capabilities, and deepen collaborations with customers to maintain a competitive edge and achieve steady growth, ultimately delivering long-term value to our shareholders.

Finally, we sincerely thank our shareholders for their trust and support. We wish all our shareholders good health and prosperity!

Chairman :

Manager :

Accounting Supervisor :

**VSO Electronics Co., Ltd.**

**Audit Committee Review Report**

The Board of Directors has submitted the Company's 2024 (Year 113 of the Republic of China calendar) Business Report, individual and consolidated financial statements, and the earnings distribution proposal. The individual and consolidated financial statements have been audited by Certified Public Accountants Ms. Yeh Shu-Chuan and Mr. Huang Kuo-Ning of Deloitte Taiwan, who have issued an audit report. Upon review of the aforementioned Business Report, individual and consolidated financial statements, and earnings distribution proposal, the Audit Committee finds no discrepancies. Therefore, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report has been prepared for verification.

To:

The 2025 Annual General Meeting of Shareholders of VSO Electronics Co., Ltd.

Audit Committee of VSO Electronics Co., Ltd.

Convener : Hsu, Chung-Yuan

March 13, 2025

## Report on Significant Related Party Transactions in 2024

All transactions with related parties in 2024 have been disclosed in the individual and consolidated financial statements under related party transactions. In accordance with the Securities Issuer's Financial Reporting Preparation Standards, the relevant information on major transactions is as follows:

### I. Sales and Purchases Transactions

Unit: NT\$ thousand

Purchaser/seller	Counterparty Name	Relationship	Transactional circumstances				Receivables (Payables)	
			Purchases (Sales)	Amount	Percentage of total (sales)/purchases	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
VSO Electronics Co., Ltd.	Ji An VSO Electronics Co., LTD	Subsidiary	Purchase	\$ 669,526	75%	60 days per month	(\$ 146,872)	( 73% )
Ji An VSO Electronics Co., LTD	VSO Electronics Co., Ltd.	Parent company	Sales	( 669,526)	( 71%)	60 days per month	146,872	59%
VSO Electronics (Suzhou) Co., LTD	Ji An VSO Electronics Co., LTD	Brothers	Purchase	141,614	66%	30-60 days per month	( 49,701)	( 66% )
Ji An VSO Electronics Co., LTD	VSO Electronics (Suzhou) Co., LTD	Brothers	Sales	( 141,614)	( 15%)	30-60 days per month	49,701	20%
VSO Electronics Co., Ltd.	VSO (Viet Nam) Electronics Co., LTD	Subsidiary	Purchase	178,807	20%	End of month 30-90 days	( 42,978)	( 21% )
VSO (Viet Nam) Electronics Co., LTD	VSO Electronics Co., Ltd.	Parent company	Sales	( 178,807)	( 73%)	End of month 30-90 days	42,978	82%
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	LINKUPON INTERNATIONAL LIMITED	Parent company	Purchase	103,102	45%	60 days per month	( 16,915)	( 38% )
LINKUPON INTERNATIONAL LIMITED	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Subsidiary	Sales	( 103,102)	( 27%)	60 days per month	16,915	39%

Note: The intercompany transactions have been eliminated in full in the preparation of the consolidated financial statements.



## II. Loans to Others

Unit: NT\$ thousand

Creditor	Borrower	Ending Balance	Actual amount drawn down	Limit on loans granted to a single party	Ceiling on total loans granted
VSO Electronics Co., Ltd.	VSO (Viet Nam) Electronics Co., LTD	\$ 81,950 (USD2,500 仟元)	\$ 14,751 ( USD450 仟元)	\$ 595,776	\$ 595,776

Note: The total amount of the Company's capital loan shall not exceed 40% of the Company's net worth and the limit for each target shall not exceed 40% of the Company's net worth.

## III. Endorsements and Guarantees for Others

Unit: NT\$ thousand

Endorser/ guarantor	Company Name	Outstanding endorsement/ guarantee	Actual amount drawn down	Limit on endorsements/ guarantees provided for a single party	Ceiling on total amount of endorsements/ guarantees provided
VSO Electronics Co., Ltd.	LINKUPON INTERNATIONAL LIMITED	\$ 150,000	\$ 88,418	\$ 446,832	\$1,191,553

Note: The aggregate amount of the Company's and its subsidiaries' overall endorsements and guarantees shall not exceed 80% of the net worth of each company's most recent financial statements. The aggregate endorsement and guarantee amount of the Company and its subsidiaries as a whole shall not exceed 30% of the net worth of each company's most recent financial statements; the aggregate endorsement and guarantee amount of the Company and its subsidiaries directly and indirectly holding 100% of the voting shares shall not exceed 40% of the net worth of each company's most recent financial statements.

## IV. Board Approval Date: 2024/08/12

Subject and Nature of Transaction	VSOVN ELECTRONICS (HANOI) COMPANY LIMITED common stock
Actual Transaction Amount	USD 5,000,000
Transaction Counterparty	VSOVN ELECTRONICS (HANOI) COMPANY LIMITED
Relationship with the Company	100% wholly owned subsidiary
Original Acquisition Date, Price, and Transaction Details	Original Acquisition Date : Not applicable Original Transaction Price : Not applicable

	Original Transaction Counterparty : Not applicable Relationship with the Company and Related Parties : Not applicable
Purpose and Use of Acquisition or Disposal	Long-term equity investment
Reason for Selecting the Related Party as the Transaction Counterparty	Capital increase in cash
Valuation Report/Accountant's Opinion	Not applicable
Transaction Restrictions and Other Important Agreements	Investment to be made in installments based on actual conditions

## VSO Electronics Co., Ltd.

## "Board of Directors' Meeting Rules" Comparison table of provisions before and after the amendment

In accordance with the Financial Supervisory Commission's Jin-Guan-Zheng-Fa-Zi No. 1120383996, the Company intends to amend certain provisions of the "Code of Conduct for Meetings of the Board of Directors", please refer to the following table for the details of the amendments to the provisions.

Clause	Amendments to clauses	Existing provisions	Description
1	<p><u>1. Purpose</u></p> <p><u>1.1</u> These rules are established in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to ensure proper governance of the board of directors, enhance its supervisory functions, and strengthen management capabilities</p>	<p><u>Article 1 (Basis for Establishment of These Regulations)</u></p> <p>These rules are established in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to ensure proper governance of the board of directors, enhance its supervisory functions, and strengthen management capabilities</p>	Match the formatting of the DMS.
2	<p><u>2. Scope</u></p> <p><u>2.1</u> The rules govern the procedures for board meetings of the company, including the content of meetings, operational procedures, items to be included in the minutes, public announcements, and other compliance matters.</p>	<p><u>Article 2 (Scope)</u></p> <p>The rules govern the procedures for board meetings of the company, including the content of meetings, operational procedures, items to be included in the minutes, public announcements, and other compliance matters.</p>	Match the formatting of the DMS.
3	<p><u>3. Reference Documents</u></p> <p><u>3.1 Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</u></p>		Match the formatting of the DMS.
4	<p><u>4. Definitions</u></p> <p><u>4.1 None.</u></p>		Match the formatting of the DMS.
5	<p><u>5. Responsibilities</u></p> <p><u>5.1</u> These rules must be approved by the board of directors and reported to the shareholders' meeting. Amendments to these rules may also be authorized by</p>		Match the formatting of the DMS.

Clause	Amendments to clauses	Existing provisions	Description
	resolution of the board of directors.		
6	<p><u>6. Procedures</u></p> <p><u>6.1</u> Convening Board Meetings and Notifications</p> <p><u>6.1.1</u> The board of directors shall convene at least once every quarter.</p> <p><u>6.1.2</u> Meetings shall specify their purpose and notify all directors at least seven days in advance. In urgent cases, meetings may be convened at any time.</p> <p><u>6.1.3</u> Notification as mentioned above may be made in writing, via email, or by fax as per the company's Articles of Association.</p> <p><u>6.1.4</u> Items under <u>Section 6.11.1</u> must be included in the meeting agenda and cannot be proposed as ad hoc motions.</p>	<p><u>Article 3 (Convening Board Meetings and Notifications)</u></p> <p>The board of directors shall convene at least once every quarter.</p> <p>Meetings shall specify their purpose and notify all directors at least seven days in advance. In urgent cases, meetings may be convened at any time.</p> <p>Notification as mentioned above may be made in writing, via email, or by fax as per the company's Articles of Association.</p> <p>Items under <u>Paragraph 1 of Article 13</u> must be included in the meeting agenda and cannot be proposed as ad hoc motions.</p>	Match the formatting of the DMS.
	<p><u>6.2</u> Meeting Notifications and Materials</p> <p><u>6.2.1</u> The company designates the finance and accounting unit as the administrative unit for board meetings.</p> <p><u>6.2.2</u> The administrative unit may consult with relevant departments to prepare the meeting agenda and provide adequate meeting materials, which shall be distributed along with the meeting notice.</p> <p><u>6.2.3</u> If any director deems the meeting materials insufficient, they may request supplementary information from the administrative unit. If a director considers the agenda items inadequately supported, the board may resolve to defer deliberation.</p>	<p><u>Article 4 (Meeting Notifications and Materials)</u></p> <p>The company designates the finance and accounting unit as the administrative unit for board meetings.</p> <p>The administrative unit may consult with relevant departments to prepare the meeting agenda and provide adequate meeting materials, which shall be distributed along with the meeting notice.</p> <p>If any director deems the meeting materials insufficient, they may request supplementary information from the administrative unit. If a director considers the agenda items inadequately supported, the board may resolve to defer deliberation.</p>	Match the formatting of the DMS.
	<u>6.3</u> Attendance Logs and Proxy	<u>Article 5 (Attendance Logs and Proxy</u>	Match the

Clause	Amendments to clauses	Existing provisions	Description
	<p>Arrangements</p> <p><u>6.3.1</u> During board meetings, a sign-in sheet shall be provided for directors to register their attendance. Directors must attend board meetings in person. If unable to attend, they may appoint another director to attend as their proxy in accordance with the company's Articles of Association. Participation via video conferencing is considered attendance in person.</p> <p><u>6.3.2</u> When appointing a proxy, the director must issue a written authorization for each instance, specifying the scope of delegation concerning the meeting agenda.</p> <p><u>6.3.3</u> A proxy may represent only one director at a time.</p>	<p><u>Arrangements )</u></p> <p>During board meetings, a sign-in sheet shall be provided for directors to register their attendance. Directors must attend board meetings in person. If unable to attend, they may appoint another director to attend as their proxy in accordance with the company's Articles of Association. Participation via video conferencing is considered attendance in person.</p> <p>When appointing a proxy, the director must issue a written authorization for each instance, specifying the scope of delegation concerning the meeting agenda.</p> <p>A proxy may represent only one director at a time.</p>	<p>formatting of the DMS.</p>
	<p><u>6.4</u> Meeting Location and Timing</p> <p><u>6.4.1</u> Board meetings shall be held at the company's registered location during office hours or at a time and place convenient for directors to attend and suitable for board meetings.</p>	<p><u>Article 6 ( Meeting Location and Timing )</u></p> <p>Board meetings shall be held at the company's registered location during office hours or at a time and place convenient for directors to attend and suitable for board meetings.</p>	<p>Match the formatting of the DMS.</p>
	<p><u>6.5</u> Chairperson and Proxy of Board Meetings</p> <p><u>6.5.1</u> Board meetings convened by the chairperson shall be presided over by the chairperson. The first meeting of each board term, convened by the director elected with the highest number of votes at the shareholders' meeting, shall be chaired by that director. If there are multiple directors with equal votes, one shall be mutually selected as chairperson.</p> <p><u>6.5.2</u> For meetings convened under Article</p>	<p><u>Article 7 ( Chairperson and Proxy of Board Meetings )</u></p> <p>Board meetings convened by the chairperson shall be presided over by the chairperson. The first meeting of each board term, convened by the director elected with the highest number of votes at the shareholders' meeting, shall be chaired by that director. If there are multiple directors with equal votes, one shall be mutually selected as chairperson.</p> <p>For meetings convened under Article</p>	<p>Match the formatting of the DMS.</p>

Clause	Amendments to clauses	Existing provisions	Description
	<p>203(4) or Article 203-1(3) of the Company Act by a majority of directors, the directors shall mutually select one among them to serve as chairperson.</p> <p><u>6.5.3</u> If the chairperson is on leave or unable to perform their duties, the vice-chairperson shall act as proxy. If there is no vice-chairperson, or the vice-chairperson is also unable to perform their duties, the chairperson shall designate a director to act as proxy. If no proxy is designated, the directors shall mutually select one to act as proxy.</p>	<p>203(4) or Article 203-1(3) of the Company Act by a majority of directors, the directors shall mutually select one among them to serve as chairperson.</p> <p>If the chairperson is on leave or unable to perform their duties, the vice-chairperson shall act as proxy. If there is no vice-chairperson, or the vice-chairperson is also unable to perform their duties, the chairperson shall designate a director to act as proxy. If no proxy is designated, the directors shall mutually select one to act as proxy.</p>	
6.6	<p><u>6.6</u> Reference Materials, Attendees, and Conduct of Meetings</p> <p><u>6.6.1</u> During board meetings, the administrative unit shall prepare relevant materials for directors' reference.</p> <p><u>6.6.2</u> Depending on the meeting agenda, personnel from relevant departments or subsidiaries may be notified to attend.</p> <p><u>6.6.3</u> If necessary, accountants, legal counsel, or other professionals may be invited to attend and provide explanations but must leave during discussions and voting.</p> <p><u>6.6.4</u> The chairperson shall call the meeting to order when a majority of directors are present at the scheduled time.</p> <p><u>6.6.5</u> If a majority of directors are not present at the scheduled time, the chairperson may announce a rescheduled meeting <u>on the same day</u>, limited to two postponements. If there is still no quorum after two postponements, the chairperson may reconvene the meeting under the procedures outlined in <u>Section 6.1.2</u>.</p>	<p><u>Article 8 (Reference Materials, Attendees, and Conduct of Meetings)</u></p> <p>During board meetings, the administrative unit shall prepare relevant materials for directors' reference.</p> <p>Depending on the meeting agenda, personnel from relevant departments or subsidiaries may be notified to attend.</p> <p>If necessary, accountants, legal counsel, or other professionals may be invited to attend and provide explanations but must leave during discussions and voting.</p> <p>The chairperson shall call the meeting to order when a majority of directors are present at the scheduled time.</p> <p>If the scheduled meeting time has arrived and less than half of the directors are present, the chairperson may announce a postponement of the meeting, with a maximum of two postponements. If the quorum is still not met after two postponements, the chairperson may reconvene the meeting</p>	In line with legislative amendments and formatting adjustments to the DMS.

Clause	Amendments to clauses	Existing provisions	Description
	<p><u>6.6.6</u> The term "all directors" in the preceding clause and in <u>Section 6.15.2.2</u> refers to the actual number of directors in office.</p>	<p>in accordance with the procedures specified in <u>Paragraph 2 of Article 3</u>. The term "all directors" as mentioned in the preceding paragraph and <u>Subparagraph 2, Paragraph 2 of Article 17</u> shall be calculated based on the actual number of directors in office. °</p>	
	<p><u>6.7</u> Recording and Archiving of Meeting Proceedings</p> <p><u>6.7.1</u> The entire proceedings of board meetings shall be recorded or videotaped and retained for at least five years. The recordings may be preserved electronically.</p> <p><u>6.7.2</u> If a lawsuit involving resolutions from a board meeting occurs before the expiration of the retention period, the relevant audio or video recordings shall be kept until the conclusion of the litigation.</p> <p><u>6.7.3</u> For meetings held via video conferencing, the video and audio recordings shall be considered part of the meeting records and must be properly preserved during the company's existence.</p>	<p><u>Article 9 (Recording and Archiving of Meeting Proceedings)</u></p> <p>The entire proceedings of board meetings shall be recorded or videotaped and retained for at least five years. The recordings may be preserved electronically.</p> <p>If a lawsuit involving resolutions from a board meeting occurs before the expiration of the retention period, the relevant audio or video recordings shall be kept until the conclusion of the litigation.</p> <p>For meetings held via video conferencing, the video and audio recordings shall be considered part of the meeting records and must be properly preserved during the company's existence.</p>	Match the formatting of the DMS.
	<p><u>6.8</u> Agenda Content</p> <p><u>6.8.1</u> Regular board meetings shall include at least the following items :</p> <p><u>6.8.1.1</u> Reporting Items :</p> <p>(1) The minutes and implementation of the previous meeting.</p> <p>(2) Significant financial and business reports.</p> <p>(3) Internal audit reports.</p> <p>(4) Other important reports.</p> <p><u>6.8.1.2</u> Discussion Items :</p> <p>(1) Matters reserved for further discussion</p>	<p><u>Article 10 (Agenda Content)</u></p> <p>Regular board meetings shall include at least the following items :</p> <p>一、Reporting Items :</p> <p>(一) The minutes and implementation of the previous meeting.</p> <p>(二) Significant financial and business reports.</p> <p>(三) Internal audit reports.</p> <p>(四) Other important reports.</p> <p>二、Discussion Items :</p> <p>(一) Matters reserved for further</p>	Match the formatting of the DMS.

Clause	Amendments to clauses	Existing provisions	Description
	from the previous meeting. (2) Matters scheduled for discussion at the current meeting. <u>6.8.1.3</u> Ad Hoc Motions	discussion from the previous meeting. (二) Matters scheduled for discussion at the current meeting. <u>三</u> 、Ad Hoc Motions	
6.9	<u>6.9</u> Changes to the Agenda <u>6.9.1</u> Board meetings shall proceed in accordance with the agenda specified in the meeting notice unless more than half of the attending directors agree to changes.  <u>6.9.2</u> The chairperson may not adjourn the meeting without the consent of a majority of the attending directors. <u>6.9.3</u> If, during the meeting, the number of directors present falls below a majority of those attending, the chairperson shall suspend the meeting upon the proposal of the attending directors and apply the provisions of <u>Section 6.6.5</u> . <u>6.9.4</u> During the meeting, the chairperson may announce a recess or a negotiation break at their discretion. <u>6.9.5</u> <u>If the chairperson is unable to preside over the meeting or adjourns it without proper consent, a proxy shall be selected in accordance with Section 6.5.3.</u>	<u>Article 11</u> ( <u>Changes to the Agenda</u> ) Board meetings shall proceed in accordance with the agenda specified in the meeting notice unless more than half of the attending directors agree to changes. The chairperson may not adjourn the meeting without the consent of a majority of the attending directors. If, during the meeting, the number of directors present falls below a majority of those attending, the chairperson shall suspend the meeting upon the proposal of the attending directors and apply the provisions of <u>Article 8, Paragraph 5</u> . During the meeting, the chairperson may announce a recess or a negotiation break at their discretion. °	Addition of new provisions in conjunction with the decree Rule 6.9.5 and text Pipe System Formatting Whole.
	<u>6.10 Speaking Guidelines for Attending Directors</u> <u>6.10.1</u> After a director speaks, the chairperson may respond directly or designate relevant personnel or attending professionals to provide necessary information. <u>6.10.2</u> If a director repeatedly speaks on the same issue, strays off-topic, or disrupts the proceedings, the chairperson may intervene to stop their speech.	<u>Article 12</u> After a director speaks, the chairperson may respond directly or designate relevant personnel or attending professionals to provide necessary information. If a director repeatedly speaks on the same issue, strays off-topic, or disrupts the proceedings, the chairperson may intervene to stop their speech.	Match the formatting of the DMS.
	<u>6.11</u> Matters Requiring Board Discussion	<u>Article 13</u> ( <u>Matters Requiring Board</u>	Match the



Clause	Amendments to clauses	Existing provisions	Description
	<p><u>6.11.1</u> The following matters shall be submitted to the board for discussion :</p> <p><u>6.11.1.1</u> The company's operational plans.</p> <p><u>6.11.1.2</u> Annual financial reports and semi-annual financial reports that require CPA certification.</p> <p><u>6.11.1.3</u> The establishment or amendment of internal control systems and evaluations of their effectiveness, in accordance with Article 14-1 of the Securities and Exchange Act.</p> <p><u>6.11.1.4</u> The establishment or amendment of procedures for major financial transactions involving asset acquisition or disposal, derivative trading, lending funds to others, or providing endorsements or guarantees, as required by Article 36-1 of the Securities and Exchange Act.</p> <p><u>6.11.1.5</u> Fundraising, issuance, or private placement of equity-type securities.</p> <p><u>6.11.1.6</u> Appointment or dismissal of the chairperson.</p> <p><u>6.11.1.7</u> Appointment or dismissal of financial, accounting, or internal audit officers.</p> <p><u>6.11.1.8</u> Donations to related parties or significant donations to non-related parties. However, public welfare donations made in response to major natural disasters may be presented for ratification at the next board meeting.</p> <p><u>6.11.1.9</u> Other matters required by law, the Articles of Association, or as specified by the competent authority.</p> <p><u>6.11.2</u> Donations to related parties shall be defined as per the financial reporting</p>	<p>Discussion)</p> <p>The following matters shall be submitted to the board for discussion :</p> <p><u>一</u>、The company's operational plans.</p> <p><u>二</u>、Annual financial reports and semi-annual financial reports that require CPA certification.</p> <p><u>三</u>、The establishment or amendment of internal control systems and evaluations of their effectiveness, in accordance with Article 14-1 of the Securities and Exchange Act.</p> <p><u>四</u>、The establishment or amendment of procedures for major financial transactions involving asset acquisition or disposal, derivative trading, lending funds to others, or providing endorsements or guarantees, as required by Article 36-1 of the Securities and Exchange Act.</p> <p><u>五</u>、Fundraising, issuance, or private placement of equity-type securities.</p> <p><u>六</u>、Appointment or dismissal of the chairperson.</p> <p><u>七</u>、Appointment or dismissal of financial, accounting, or internal audit officers.</p> <p><u>八</u>、Donations to related parties or significant donations to non-related parties. However, public welfare donations made in response to major natural disasters may be presented for ratification at the next board meeting.</p> <p><u>九</u>、Other matters required by law, the Articles of Association, or as specified by the competent authority.</p> <p>Donations to related parties shall be defined as per the financial reporting</p>	<p>formatting of the DMS.</p>

Clause	Amendments to clauses	Existing provisions	Description
	<p>standards governing related-party transactions. Significant donations to non-related parties refer to single donations exceeding NT\$100 million or those exceeding 1% of net revenue or 5% of paid-in capital, based on the most recent CPA-audited financial statements.</p> <p><u>6.11.3</u> The term "within one year" shall be calculated from the date of the current board meeting, retroactively one year, and excludes amounts previously resolved by the board.</p> <p><u>6.11.4</u> If the company has independent directors, at least one must attend board meetings in person. For matters requiring board resolution, all independent directors must attend. If an independent director cannot attend, they may appoint another independent director as proxy.</p> <p><u>6.11.5</u> If an independent director expresses dissent or reservations, it shall be recorded in the meeting minutes. If they cannot attend, they shall provide a written opinion, which shall also be recorded.</p>	<p>standards governing related-party transactions. Significant donations to non-related parties refer to single donations exceeding NT\$100 million or those exceeding 1% of net revenue or 5% of paid-in capital, based on the most recent CPA-audited financial statements.</p> <p>The term "within one year" shall be calculated from the date of the current board meeting, retroactively one year, and excludes amounts previously resolved by the board.</p> <p>If the company has independent directors, at least one must attend board meetings in person. For matters requiring board resolution, all independent directors must attend. If an independent director cannot attend, they may appoint another independent director as proxy.</p> <p>If an independent director expresses dissent or reservations, it shall be recorded in the meeting minutes. If they cannot attend, they shall provide a written opinion, which shall also be recorded.</p>	
	<p><u>6.12</u> Voting Procedures (Part 1)</p> <p><u>6.12.1</u> When the chairperson determines that a proposal has been sufficiently discussed, they may announce the end of discussions and proceed to a vote.</p> <p><u>6.12.2</u> When voting on a proposal, if the chairperson solicits opinions from all attending directors and no objections are raised, the proposal shall be deemed approved. Its effect is equivalent to approval by vote. If objections are raised,</p>	<p><u>Article 14 ( Voting Procedures (Part 1))</u></p> <p>When the chairperson determines that a proposal has been sufficiently discussed, they may announce the end of discussions and proceed to a vote.</p> <p>When voting on a proposal, if the chairperson solicits opinions from all attending directors and no objections are raised, the proposal shall be deemed approved. Its effect is equivalent to approval by vote. If objections are</p>	Match the formatting of the DMS.

Clause	Amendments to clauses	Existing provisions	Description
	<p>the proposal shall be put to a vote.</p> <p><u>6.12.3</u> The voting method shall be determined by the chairperson from the following options. However, if there are objections among the attendees, the method shall be decided by majority opinion :</p> <p><u>6.12.3.1</u> Show of hands or use of voting devices.</p> <p><u>6.12.3.2</u> Roll-call voting.</p> <p><u>6.12.3.3</u> Ballot voting.</p> <p><u>6.12.4</u> The term "all attending directors" in the preceding clauses does not include directors who are prohibited from voting under <u>Section 6.14.1</u>.</p>	<p>raised, the proposal shall be put to a vote.</p> <p>The voting method shall be determined by the chairperson from the following options. However, if there are objections among the attendees, the method shall be decided by majority opinion :</p> <p><u>一</u> 、 Show of hands or use of voting devices.</p> <p><u>二</u> 、 Roll-call voting.</p> <p><u>三</u> 、 Ballot voting.</p> <p>The term "all attending directors" in the preceding two paragraphs does not include directors who are prohibited from exercising voting rights under <u>Article 16, Paragraph 1</u>.</p>	
	<p><u>6.13</u> Voting Procedures (Part 2) and Monitoring of Votes</p> <p><u>6.13.1</u> Resolutions on proposals, unless otherwise stipulated by the Securities and Exchange Act, the Company Act, or the Articles of Association, require the attendance of a majority of directors and approval by a majority of the attending directors.</p> <p><u>6.13.2</u> If there are amendments or substitute motions for a single proposal, the chairperson shall decide the voting sequence. If one proposal is approved, the others shall be considered rejected and will not require further voting.</p> <p><u>6.13.3</u> If it is necessary to appoint scrutineers or vote counters for a proposal, the chairperson shall designate them. However, scrutineers must be directors. The voting results shall be announced on the spot and recorded.</p> <p><u>6.13.4</u> Significant matters approved by the</p>	<p><u>Article 15 ( Voting Procedures (Part 2) and Monitoring of Votes )</u></p> <p>Resolutions on proposals, unless otherwise stipulated by the Securities and Exchange Act, the Company Act, or the Articles of Association, require the attendance of a majority of directors and approval by a majority of the attending directors.</p> <p>If there are amendments or substitute motions for a single proposal, the chairperson shall decide the voting sequence. If one proposal is approved, the others shall be considered rejected and will not require further voting.</p> <p>If it is necessary to appoint scrutineers or vote counters for a proposal, the chairperson shall designate them. However, scrutineers must be directors. The voting results shall be announced on the spot and recorded.</p> <p>Significant matters approved by the</p>	Match the formatting of the DMS.

Clause	Amendments to clauses	Existing provisions	Description
	board as required by law shall be disclosed on the Market Observation Post System (MOPS) within the prescribed timeframe.	board as required by law shall be disclosed on the Market Observation Post System (MOPS) within the prescribed timeframe.	
	<p><u>6.14</u> Conflict of Interest for Directors</p> <p><u>6.14.1</u> If a director or a legal entity they represent has a conflict of interest concerning a matter discussed at the meeting, the director shall explain the material details of the conflict during the meeting. If such conflict is likely to harm the company's interests, the director shall not participate in the discussion or voting and must recuse themselves during deliberation and voting. Furthermore, the director may not act as a proxy for other directors in voting on that matter.</p> <p><u>6.14.2</u> A director's spouse, relatives within the second degree of kinship, or companies with a controlling or subordinate relationship to the director are also deemed to have a conflict of interest concerning the matter.</p> <p><u>6.14.3</u> Resolutions passed by the board concerning matters where directors are prohibited from voting shall comply with Article 206(4) of the Company Act, as applicable to Article 180(2).</p>	<p><u>Article 16 (Conflict of Interest for Directors)</u></p> <p>If a director or a legal entity they represent has a conflict of interest concerning a matter discussed at the meeting, the director shall explain the material details of the conflict during the meeting. If such conflict is likely to harm the company's interests, the director shall not participate in the discussion or voting and must recuse themselves during deliberation and voting. Furthermore, the director may not act as a proxy for other directors in voting on that matter.</p> <p>A director's spouse, relatives within the second degree of kinship, or companies with a controlling or subordinate relationship to the director are also deemed to have a conflict of interest concerning the matter.</p> <p>Resolutions passed by the board concerning matters where directors are prohibited from voting shall comply with Article 206(4) of the Company Act, as applicable to Article 180(2).</p>	Match the formatting of the DMS.
6.15	<p><u>6.15</u> Meeting Minutes and Documentation</p> <p><u>6.15.1</u> Board meeting minutes shall be prepared and include the following details :</p> <p><u>6.15.1.1</u> Session (or year), time, and venue of the meeting.</p> <p><u>6.15.1.2</u> Name of the chairperson.</p>	<p><u>Article 17 (Meeting Minutes and Documentation)</u></p> <p>Board meeting minutes shall be prepared and include the following details :</p> <p><u>一、</u> Session (or year), time, and venue of the meeting.</p> <p><u>二、</u> Name of the chairperson.</p>	The Company has established an Audit Committee in place of the Supervisors to make changes to the text and

Clause	Amendments to clauses	Existing provisions	Description
	<p><u>6.15.1.3</u> Attendance status, including the names and numbers of directors present, excused, or absent.</p> <p><u>6.15.1.4</u> Names and titles of attendees.</p> <p><u>6.15.1.5</u> Name of the minute taker.</p> <p><u>6.15.1.6</u> Reporting items.</p> <p><u>6.15.1.7</u> Discussion items, including the method and results of each resolution, summaries of speeches by directors, experts, and other attendees, names of directors with conflicts of interest, explanations of significant aspects of the conflict, reasons for recusal or non-recusal, and dissenting or reserved opinions, whether in verbal or written form, submitted by independent directors per <u>Section 6.11.5.</u></p> <p><u>6.15.1.8</u> Ad hoc motions, including the names of proposers, methods and results of resolutions, summaries of speeches by directors, experts, and other attendees, and disclosures related to conflicts of interest as per the previous clause.</p> <p><u>6.15.1.9</u> Other matters that must be recorded.</p>	<p><u>三</u>、Attendance status, including the names and numbers of directors present, excused, or absent.</p> <p><u>四</u>、Names and titles of attendees.</p> <p><u>五</u>、Name of the minute taker.</p> <p><u>六</u>、Reporting items.</p> <p><u>七</u>、Discussion matters: The resolution methods and results of each proposal; summaries of statements made by directors, supervisors, experts, and other personnel; the names of directors involved in conflicts of interest as specified in the preceding article, Paragraph 1; explanations of the significant content of such conflicts of interest; reasons for recusal or non-recusal; recusal situations; objections or reservations recorded or stated in writing; and the written opinions provided by independent directors in accordance with <u>Article 11-1, Paragraph 4.</u></p> <p><u>八</u>、Ad hoc motion: The name of the proposer, the resolution method and result of the proposal, summaries of statements made by directors, supervisors, experts, and other personnel, the names of directors involved in conflicts of interest as specified in the preceding article, Paragraph 1, explanations of the significant content of such conflicts of interest, reasons for recusal or non-recusal, recusal situations, and objections or reservations recorded or stated in writing.</p> <p><u>九</u>、Other matters that must be recorded.</p>	<p>Item 6.15.1.7 at the discretion of the Supervisors in light of the actual situation. Text Amendment.</p>

Clause	Amendments to clauses	Existing provisions	Description
	<p><u>6.15.2</u> If any of the following circumstances occur during a board meeting, they must be recorded in the minutes and disclosed via MOPS within two days of the meeting :</p> <p><u>6.15.2.1</u> Independent directors express dissent or reservations in the form of verbal statements or written documents.</p> <p><u>6.15.2.2</u> If the company has an audit committee, resolutions passed by two-thirds of all directors without the approval of the audit committee.</p> <p><u>6.15.3</u> The sign-in sheet for the meeting shall be part of the official record and must be preserved throughout the company's existence.</p> <p><u>6.15.4</u> The minutes shall be signed or sealed by the chairperson and minute taker and distributed to all directors within 20 days after the meeting. They shall be classified as important company records and preserved throughout the company's existence.</p> <p><u>6.15.5</u> Preparation and distribution of the minutes may be done electronically.</p>	<p>If any of the following circumstances occur during a board meeting, they must be recorded in the minutes and disclosed via MOPS within two days of the meeting :</p> <p><u>一、</u> Independent directors express dissent or reservations in the form of verbal statements or written documents.</p> <p><u>二、</u> If the company has an audit committee, resolutions passed by two-thirds of all directors without the approval of the audit committee.</p> <p>The sign-in sheet for the meeting shall be part of the official record and must be preserved throughout the company's existence.</p> <p>The minutes shall be signed or sealed by the chairperson and minute taker and distributed to all directors within 20 days after the meeting. They shall be classified as important company records and preserved throughout the company's existence.</p> <p>Preparation and distribution of the minutes may be done electronically.</p>	
	<p><u>6.16</u> Delegation Principles of the Board</p> <p><u>6.16.1</u> In accordance with the company's Articles of Association, the board of directors may authorize the chairperson to exercise board powers during the recess of the board, except for matters that must be resolved by the board, are within the powers of independent directors, or involve related-party transactions as stipulated by law or relevant regulations. The scope of authorization includes the following :</p>	<p><u>Article 18 (Delegation Principles of the Board)</u></p> <p>In accordance with the company's Articles of Association, the board of directors may authorize the chairperson to exercise board powers during the recess of the board, except for matters that must be resolved by the board, are within the powers of independent directors, or involve related-party transactions as stipulated by law or relevant regulations. The scope of authorization includes the following :</p>	Match the formatting of the DMS.

Clause	Amendments to clauses	Existing provisions	Description
	<p><u>6.16.1.1</u> Approval of significant contracts.</p> <p><u>6.16.1.2</u> Approval of real estate mortgage loans and other loans.</p> <p><u>6.16.1.3</u> Approval of the acquisition or disposal of general property and real estate.</p> <p><u>6.16.1.4</u> Designation and re-designation of directors and supervisors for investee companies.</p> <p><u>6.16.1.5</u> Determination of record dates for capital increases or decreases, distribution of cash dividends, stock distributions, subscription rights, and changes in dividend distribution ratios.</p>	<p><u>一</u> 、 Approval of significant contracts.</p> <p><u>二</u> 、 Approval of real estate mortgage loans and other loans.</p> <p><u>三</u> 、 Approval of the acquisition or disposal of general property and real estate.</p> <p><u>四</u> 、 Designation and re-designation of directors and supervisors for investee companies.</p> <p><u>五</u> 、 Determination of record dates for capital increases or decreases, distribution of cash dividends, stock distributions, subscription rights, and changes in dividend distribution ratios.</p>	
		<p>Article 19 ( Implementation and Revision )</p> <p>These rules must be approved by the board of directors and reported to the shareholders' meeting. Amendments to these rules may also be authorized by resolution of the board of directors.</p>	<p>This item was moved to 5.</p> <p>Rights and Responsibilities</p>

List of Candidates for Directors and Independent Directors

Position	Name	Major Experience and Education	Current Positions in the Company and Other Companies	Remarks
Director	Jerry Chien	Experience : Founder of VSO Electronics Co., Ltd. Education : Department of Electronics, United Industrial College	Chairman of the following companies : VSO Electronics (Suzhou) Co., LTD Ji An VSO Electronics Co., LTD LINKUPON INTERNATIONAL LIMITED Linkupon International Holdings, Limited Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company VSO (Viet Nam) Electronics Co., LTD Ding Hong Investment Co., Ltd. VSOVN ELECTRONICS (HANOI) COMPANY LIMITED Director of the following company : Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material,inc	Shares Held : 2,010,804 shares
Director	Chung-Lin Chien	Experience : General Manager, Development International Investment Co., Ltd. Deputy General Manager, Asia-Pacific Bond Business, KGI Securities Co., Ltd. Deputy General Manager, Capital Markets Division, KGI Securities Co., Ltd. Manager, Bond Department, Grand Cathay Securities Co., Ltd. Education : Bachelor's degree in Accounting, National Chengchi University	Director of China Development Biotechnology Venture Capital Co., Ltd. General Manager of Development International Investment Co., Ltd. Director and General Manager of CDIB & Partners Investment Holding (Cayman) Ltd.	Shares Held : 1,331,000 shares
Director	T.C Huang	Experience :	Director of the following	Shares Held : 33,000 shares



Position	Name	Major Experience and Education	Current Positions in the Company and Other Companies	Remarks
		<p>Independent director of Radiant Opto-Electronics Corporation</p> <p>Chairman of DRAGONJET CORPORATION.</p> <p>Chairman,I SHENG ELECTRIC WIRE &amp; CABLE CO., LTD.</p> <p>Education : Kun Shan University Graduate School of Business Administration</p>	<p>companies: :</p> <p>ICHIA TECHNOLOGIES, INC</p> <p>Master Lake Int'l Limited (B.V.I)</p> <p>Waysboth Co., Ltd.(B.V.I)</p> <p>Waysboth Co., Ltd.(H.K.)</p> <p>Year Sweep Limited.(Samoa)</p> <p>I-SHENG Electric Wire &amp; Cable Compnay (Vietnam)</p> <p>I-SHENG Viet Nam Trading and Service Co.,Ltd.</p> <p>I-LI Electric Wire &amp; Cable Compnay (Vietnam)</p> <p>Junyu Plastic Co., Ltd.</p> <p>Lian Dong Wire Materials Co., Ltd.</p> <p>Minhong Wire &amp; Cable (Shenzhen) Co., Ltd.</p> <p>I-Sheng Electronics Technology (Kunshan) Co., Ltd.</p> <p>I-Sheng Electronics (Shenzhen) Co., Ltd.</p> <p>I-Sheng (Japan) Co., Ltd.</p> <p>TAI TUNG CO.,LTD (B.V.I)</p> <p>Dongguan Tai Tung Wire Co., Ltd.</p> <p>Admiral Holding Crop.(USA)</p>	
Director	Star Lin	<p>Experience : Chief Operating Officer,ACES ELECTRONICS CO., LTD.</p> <p>General Manager,Kuang Ying</p> <p>General Manager Consultant, Genesis Connected Solutions</p> <p>Asia-Pacific Region,Motorola Inc./Arris,</p> <p>Taiwan Regional Director,Motorola Taiwan</p> <p>Applications Engineering Manager, Asia-Pacific Region, General Instrument Corporation</p> <p>Applications Engineering</p>	<p>Independent Director of EBM Technologies Incorporated</p> <p>Director and General Manager of the following company: LINKUPON INTERNATIONAL LIMITED</p>	Shares Held : 454,974 shares

Position	Name	Major Experience and Education	Current Positions in the Company and Other Companies	Remarks
		<p>Manager, Asia-Pacific Region, General Instrument Corporation</p> <p>Product/R&amp;D/System Integration Engineer</p> <p>General Instrument of Taiwan</p> <p>Education : Master's in Executive MBA, National Taiwan University</p> <p>Bachelor's in Electronic Engineering, Feng Chia University</p>		
Director	Advantech Corporate Investment	—	<p>Director of the following companies :</p> <p>Cermate Technologies Inc.</p> <p>Feng Sang Enterprise Co., Ltd.</p> <p>CDIB Innovation Accelerator Co., Ltd.</p> <p>Mildex Optical Inc.</p> <p>Smasoft Technology Co., Ltd.</p> <p>Impelex Data Transfer Co., Ltd.</p> <p>International Integrated Systems, Inc.</p> <p>Hwacom Systems Inc.</p> <p>AzureWave Technologies, Inc.</p> <p>Yan Xu Green Electricity Co.,Ltd.</p> <p>Freedom System Inc.</p> <p>Expotech Co., Ltd.</p>	Shares Held : 4,694,800 shares
Independent Director	Hui-Chin Chiu	<p>Experience :</p> <p>Executive Director/ CEO, Ju Teng International Holdings Limited</p> <p>CEO of Lite-On Technology Corporation</p> <p>Director of Silitech Technology Corporatio</p> <p>Director of DRAGONJET CORPORATION.</p> <p>Education :</p> <p>Master of Industrial Engineering and Management, National</p>	<p>Executive Director/Chief Strategic Officer, Ju Teng International Holdings Limited</p> <p>Director of TaiYang Solar Power Co., Ltd.</p> <p>Consultant, Sunny Rich Group</p> <p>Independent Director of the following companies :</p> <p>SYNCMOLD ENTERPRISE CORP.</p> <p>AURAS Technology Co.,Ltd.</p> <p>Allmind Holdings Corporation. ( 2718 )</p>	Shares Held : 0 shares

Position	Name	Major Experience and Education	Current Positions in the Company and Other Companies	Remarks
		Taipei University of Technology EMBA, National Taiwan University Taipei Tech Industrial Engineering Department		
Independent Director	Chung-Yuan Hsu	Experience : Independent director of TONS LIGHTOLOGY INC. Chair and Professor, Department of Accounting, National Chengchi University Senior Partner, BDO Taiwan Supervisor of Securities and Futures Investors Protection Center Education : Ph.D. in Accounting, University of Memphis (USA) Master's in Accounting, National Chengchi University Bachelor's in Statistics, National Chengchi University	Adjunct Professor of Accounting, National Chengchi University Securities Investment Trust & Consulting Association of the R.O.C. Director of TAIWAN CHINSAN ELECTRONIC INDUSTRIAL CO., LTD	Shares Held : 0 shares
Independent Director	Ming-Wei Lai	Experience : Audit Manager, KPMG Taiwan Underwriting Specialist, Grand Cathay Securities Co., Ltd. Education : Bachelor's in Accounting, National Chengchi University	Chief Financial Officer of Lingsen Precision Industries, Ltd. Supervisor of Lee Shin Investment Co., Ltd. Supervisor of Nexus Material Corporation	Shares Held : 0 shares
Independent Director	Yeh-Yun Lin	Experience : Retired from National Chengchi University and honored with "Professor Emeritus." Director and Supervisor of	Honorary Professor, National Chengchi University Member of the Committee for the Promotion of Bilingualism and Multiculturalism, National Chengchi University	Shares Held : 0 shares

Position	Name	Major Experience and Education	Current Positions in the Company and Other Companies	Remarks
		<p>the International Cooperation and Development Foundation, a consortium of the Ministry of Foreign Affairs.</p> <p>Director of International Cooperation, National Chengchi University</p> <p>University Visiting Professor, University of Vienna, Austria</p> <p>Director, Center for Innovation and Creativity, National Chengchi University</p> <p>Fulbright Scholar, USA</p> <p>Visiting Professor at</p> <ul style="list-style-type: none"> <li>- Brigham Young University, USA</li> <li>- Aalto University, Finland</li> </ul> <p>Distinguished Professor, National Chengchi University (8.2009 to retirement) )</p> <p>Dean of Student Affairs, National Chengchi University</p> <p>Visiting Professor, Leiden University (Netherlands)</p> <p>Director, International Education Exchange Center, National Chengchi University</p> <p>Fulbright Scholar, USA – Visiting Scholar at Purdue University, USA</p> <p>Director, Office of International Affairs, College of Commerce, National Chengchi University</p> <p>Founding Director, IMBA English Program, College of Commerce, National</p>		

Position	Name	Major Experience and Education	Current Positions in the Company and Other Companies	Remarks
		<p>Chengchi University Professor, Graduate Institute of Human Resource Management and Department of Business Administration, National Central University</p> <p>Teacher, Mingdao High School, Taichung</p> <p>Customer Service Manager of Taiwan Singer Sewing Company.</p> <p>Administrative Manager of K-Mart Taipei Trading Company.</p> <p>Education : Ph.D. in Human Resource Development from the University of Texas at Austin (Direct Ph.D.). Department of Foreign Languages and Literatures, National Taiwan University.</p>		

## **Independent Auditors' Report**

To the Board of Directors and Shareholders of VSO Electronics Co., Ltd.

### **Opinions**

We have audited the accompanying consolidated balance sheets of VSO ELECTRONICS CO., LTD. and its subsidiaries (the "Group") as at December 31, 2024 and 2023, 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 material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, 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 of Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in 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 Group's 2024 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 2024 consolidated financial statements are stated as follows:

### **Occurrence of operating revenues**

The Group develops, manufactures, and sells a variety of connecting cables for the Internet of Things, cloud, industrial control, medical, and automotive applications. Since the products are customized and developed according to the needs of customers, the occurrence or non-occurrence of the sales transactions related to the operating revenues from specific customers has a significant impact on the consolidated financial statements. Therefore, we have determined that the occurrence of the aforementioned customer-specific revenue is a material adjustment to our consolidated financial statements.

### **How our audit addressed the matter**

We have performed primary audit procedures for the above matter as follows:

1. Understand and evaluate the effectiveness of internal control design and implementation in relation to the occurrence of consolidated revenue;
2. Sampling sales revenue details of specific customers, and verifying sales transactions by cross-referencing customer orders, shipping documents, sales invoices, and collection of accounts receivable.

### **Other Matter**

We have audited and expressed an unmodified opinion on the parent company only financial statements of VSO Electronics Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

### **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 ~6~ 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 auditors' report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Yeh Shu-Chuan

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Huang Kuo-Ning.

For and on behalf of Deloitte & Touche, Taiwan

March 13, 2025

#### Notice to Readers

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.

As the financial statements are the responsibility of the management, Deloitte & Touche 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.

**VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2024 AND 2023**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

ASSETS		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	4,6	\$ 320,793	13	\$ 523,015	28
1110	Financial assets at fair value through profit or loss-current	4,7,30	5,056	-	23,847	1
1136	Financial assets measured at amortized cost - current	8,30	338,208	14	85,887	5
1150	Notes receivable	4,9,23	8,052	-	2,038	-
1170	Accounts receivable	4,9,23	762,301	32	513,176	27
1180	Accounts receivable - related parties	4,9,23,31	41,681	2	35,271	2
1200	Other receivables	9,30	2,933	-	2,645	-
1220	Current tax assets	4,25	2,366	-	1,664	-
130X	Inventories	4,10	231,983	10	154,349	8
1470	Other current assets	16,21	26,805	1	10,543	1
11XX	Total current assets		<u>1,740,178</u>	<u>72</u>	<u>1,352,435</u>	<u>72</u>
<b>Non-current assets</b>						
1550	Investments accounted for under equity method	4,12	48,495	2	46,484	2
1600	Property, plant and equipment	4,13,28,32,33	417,009	17	368,947	20
1755	Right-of-use assets	4,14,32	120,477	5	31,299	2
1780	Intangible assets	4,15,33	23,302	1	20,105	1
1840	Deferred tax assets	4,25	9,052	1	9,585	-
1900	Other non-current assets	16,32	42,082	2	48,742	3
15XX	Total non-current assets		<u>660,417</u>	<u>28</u>	<u>525,162</u>	<u>28</u>
1XXX	<b>Total assets</b>		<u>\$ 2,400,595</u>	<u>100</u>	<u>\$ 1,877,597</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
2100	Short-term borrowings	4,17	\$ 34,750	1	\$ 183,314	10
2130	Contract liabilities - current	23	1,042	-	370	-
2170	Accounts payable	4,18	371,451	16	265,550	14
2180	Accounts payable - related parties	4,31	2,531	-	616	-
2200	Other payables	4,19	286,133	12	235,666	13
2220	Other payables - related parties	4,31	701	-	635	-
2230	Current tax liabilities	4,25	14,148	1	38,959	2
2250	Provision for liabilities - current	4,20	2,107	-	1,309	-
2280	Lease liabilities - current	4,14	7,545	-	8,434	-
2300	Other current liabilities	4,19,23,18,31	4,774	-	4,529	-
21XX	Total current liabilities		<u>725,182</u>	<u>30</u>	<u>739,382</u>	<u>39</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	4,17	9,853	1	-	-
2570	Deferred tax liabilities	4,25	74,317	3	54,153	3
2580	Lease liabilities - non-current	4,14	8,868	-	14,110	1
2640	Other non-current liabilities	4,19,28	105	-	-	-
25XX	Total non-current liabilities		<u>93,143</u>	<u>4</u>	<u>68,263</u>	<u>4</u>
2XXX	<b>Total liabilities</b>		<u>818,325</u>	<u>34</u>	<u>807,645</u>	<u>43</u>
<b>Equity</b>		22				
<b>Equity attributable to shareholders of the parent</b>						
3110	Share capital - Common stock		<u>417,165</u>	<u>17</u>	<u>375,302</u>	<u>20</u>
3200	Capital surplus		<u>565,514</u>	<u>24</u>	<u>227,844</u>	<u>12</u>
	Retained earnings					
3310	Legal reserve		86,676	3	75,181	4
3320	Special reserve		52,481	2	40,666	2
3350	Unappropriated retained earnings		<u>402,057</u>	<u>17</u>	<u>315,846</u>	<u>17</u>
3300	Total retained earnings		<u>541,214</u>	<u>22</u>	<u>431,693</u>	<u>23</u>
3400	Other equity		( 34,451 )	( 1 )	( 52,481 )	( 3 )
31XX	Total equity attributable to shareholders of the parent		1,489,442	62	982,358	52
36XX	<b>Non-controlling interests</b>		<u>92,828</u>	<u>4</u>	<u>87,594</u>	<u>5</u>
3XXX	Total equity		<u>1,582,270</u>	<u>66</u>	<u>1,069,952</u>	<u>57</u>
<b>Total liabilities and equity</b>			<u>\$ 2,400,595</u>	<u>100</u>	<u>\$ 1,877,597</u>	<u>100</u>

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

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(AMOUNTS IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

ITEMS		Notes	2024		2023	
			Amount	%	Amount	%
4000	Net operating income	4,23,31,36	\$ 2,162,996	100	\$ 1,816,150	100
5000	Operating costs	4,10,15,24,31				
			<u>1,570,608</u>	<u>73</u>	<u>1,366,501</u>	<u>75</u>
5900	Gross Profit		<u>592,388</u>	<u>27</u>	<u>449,649</u>	<u>25</u>
	Operating expenses	9,15,21,24,31				
6100	Selling expenses		104,168	5	92,540	5
6200	General and administrative expenses		168,970	8	143,665	8
6300	Research and development expenses		95,648	4	77,273	4
6450	Expected credit impairment gains		( <u>1,123</u> )	<u>-</u>	( <u>11,833</u> )	<u>-</u>
6000	Total operating expenses		<u>367,663</u>	<u>17</u>	<u>301,645</u>	<u>17</u>
6900	Net operating profit		<u>224,725</u>	<u>10</u>	<u>148,004</u>	<u>8</u>
	Non-operating gains and losses					
7100	Interest income	24	8,374	1	7,807	1
7010	Other income	4,24,28,31	4,222	-	6,379	-
7210	Other gains and losses	7,24,34	23,860	1	( 828 )	-
7050	Finance costs	24	( 5,134 )	-	( 3,458 )	-
7060	Share of profit of associates and joint ventures accounted for using the equity method		<u>1,526</u>	<u>-</u>	<u>978</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>32,848</u>	<u>2</u>	<u>10,878</u>	<u>1</u>
7900	Net income before tax		257,573	12	158,882	9
7950	Income tax expense	4,25	( <u>60,258</u> )	( 3 )	( <u>35,142</u> )	( <u>2</u> )

(continued on next page)

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ITEMS	Notes	2024		2023	
		Amount	%	Amount	%
8200 <b>Profit for the year</b>		<u>197,315</u>	<u>9</u>	<u>123,740</u>	<u>7</u>
<b>Other comprehensive income</b>	21,22,25				
8310 <b>Items that will not be reclassified to profit or loss</b>					
8311 Gains on remeasurements of defined benefit plans		-	-	818	-
8349 Income tax relating to those items not to be reclassified to profit or loss		( 87 )	-	( 163 )	-
8360 <b>Items that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations		<u>19,878</u>	<u>1</u>	( <u>12,809</u> )	( <u>1</u> )
8300 <b>Other comprehensive income, net of tax</b>		<u>19,791</u>	<u>1</u>	( <u>12,154</u> )	( <u>1</u> )
8500 <b>Total comprehensive income</b>		<u>\$ 217,106</u>	<u>10</u>	<u>\$ 111,586</u>	<u>6</u>
Profit attributable to:					
8610 Shareholders of the parent		\$ 185,572	9	\$ 114,281	6
8620 Non-controlling interests		<u>11,743</u>	-	<u>9,459</u>	<u>1</u>
8600		<u>\$ 197,315</u>	<u>9</u>	<u>\$ 123,740</u>	<u>7</u>
Total comprehensive income attributable to:					
8710 Shareholders of the parent		\$ 203,515	9	\$ 103,121	6
8720 Non-controlling interests		<u>13,591</u>	<u>1</u>	<u>8,465</u>	-
8700		<u>\$ 217,106</u>	<u>10</u>	<u>\$ 111,586</u>	<u>6</u>
Earnings per share	26				
9710 Basic Earnings Per Share		<u>\$ 4.78</u>		<u>\$ 3.05</u>	
9810 Diluted Earnings Per Share		<u>\$ 4.74</u>		<u>\$ 3.01</u>	

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

**VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

		Equity attributable to owners of the parent						Financial statements translation differences of foreign operations	Total	Non-controlling interests (Note 22)	Total equity
		Share capital - Common stock (note 22)		Capital surplus (Note 22)	Retained earnings (Notes 22 and 25)						
ITEMS		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Unappropriated retained earnings				
A1	Balance as of January 1, 2023	33,997	\$ 339,974	\$ 225,003	\$ 39,126	\$ -	\$ 464,954	( \$ 40,666 )	\$ 1,028,391	\$ 94,347	\$ 1,122,738
	Appropriations of 2022 earnings										
B1	Legal reserve	-	-	-	36,055	-	( 36,055 )	-	-	-	-
B3	Special reserve	-	-	-	-	40,666	( 40,666 )	-	-	-	-
B5	Cash dividends	-	-	-	-	-	( 153,279 )	-	( 153,279 )	-	( 153,279 )
B9	Stock dividends	3,406	34,062	-	-	-	( 34,062 )	-	-	-	-
O1	Cash dividends from subsidiaries to shareholders with non-controlling interests	-	-	-	-	-	-	-	-	( 15,200 )	( 15,200 )
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	18	-	18	( 18 )	-
N1	Compensation costs recognized for employee share options	-	-	955	-	-	-	-	955	-	955
N1	Common shares issued under employee stock option plan	127	1,266	1,886	-	-	-	-	3,152	-	3,152
D1	Consolidated profit for the year	-	-	-	-	-	114,281	-	114,281	9,459	123,740
D3	Other comprehensive income after tax for the year	-	-	-	-	-	655	( 11,815 )	( 11,160 )	( 994 )	( 12,154 )
Z1	Balance at December 31, 2023	37,530	375,302	227,844	75,181	40,666	315,846	( 52,481 )	982,358	87,594	1,069,952
	Appropriations of 2023 earnings										
B1	Legal reserve	-	-	-	11,495	-	( 11,495 )	-	-	-	-
B3	Special reserve	-	-	-	-	11,815	( 11,815 )	-	-	-	-
B5	Cash dividends	-	-	-	-	-	( 75,921 )	-	( 75,921 )	-	( 75,921 )
C17	Exercise of vesting rights	-	-	928	-	-	-	-	928	-	928
E1	Cash Capital Increase	3,660	36,600	328,977	-	-	-	-	365,577	-	365,577
O1	Cash dividends from subsidiaries to shareholders with non-controlling interests	-	-	-	-	-	-	-	-	( 8,400 )	( 8,400 )
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	( 43 )	-	( 43 )	43	-
N1	Compensation costs recognized for employee share options	-	-	2,129	-	-	-	-	2,129	-	2,129
N1	Common shares issued under employee stock option plan	526	5,263	5,636	-	-	-	-	10,899	-	10,899
D1	Consolidated profit for the year	-	-	-	-	-	185,572	-	185,572	11,743	197,315
D3	Other comprehensive income after tax for the year	-	-	-	-	-	( 87 )	18,030	17,943	1,848	19,791
Z1	Balance of December 31, 2024	41,716	\$ 417,165	\$ 565,514	\$ 86,676	\$ 52,481	\$ 402,057	( \$ 34,451 )	\$ 1,489,442	\$ 92,828	\$ 1,582,270

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

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	ITEMS	2024	2023
	Net cash flows from operating activities		
A10000	Net profit for the year before tax	\$ 257,573	\$ 158,882
	Gain/loss items:		
A20100	Depreciation expense	53,213	48,886
A20200	Amortization expense	9,262	6,421
A20300	Expected Credit Impairment Rebound		
	Benefits	( 1,123 )	( 11,833 )
A20400	Net loss on financial assets at fair value		
	through profit or loss	729	399
A20900	Finance Costs	5,134	3,458
A21200	Interest income	( 8,374 )	( 7,807 )
A21900	Share-based compensation cost	2,129	955
A22300	Equity-method share of profit or loss of a		
	related party	( 1,526 )	( 978 )
A22500	Disposal of (interest in) loss of real estate,		
	plant and equipment	( 475 )	5
A23100	Disposal of investment losses	-	6,673
A23700	Inventory decline and obsolescence loss	-	8,021
A23800	Benefits from inventory decline and slow-		
	moving inventory rebound	( 22,327 )	-
	Government subvention income	( 349 )	-
A29900	Lease Modification of Interest	-	( 18 )
A30000	Net changes in operating assets and liabilities		
A31130	Notes Receivable	( 5,928 )	811
A31150	Accounts receivable	( 242,585 )	95,809
A31160	Accounts receivable - related parties	( 5,647 )	13,846
A31180	Other receivables	( 1 )	75,350
A31200	Inventory	( 50,479 )	26,039
A31220	Prepaid Pension	373	-
A31240	Other current assets	( 16,309 )	4,697
A31990	Other non-current assets	( 378 )	( 86 )
A32110	Financial liabilities held for trading	( 872 )	( 1,485 )
A32125	Contractual liabilities	666	( 353 )
A32150	Accounts payable	99,901	( 18,864 )
A32160	Accounts payable - related parties	1,884	402
A32180	Other payables	40,177	( 22,308 )
A32190	Other payables - related parties	55	656
A32200	Provision for liabilities	776	404
A32230	Other current liabilities	212	202
A32240	Net Defined Benefit Liability	-	( 8,643 )
A33000	Cash generated from operations	115,711	379,541
A33500	Payment of income tax	( 65,306 )	( 90,780 )
AAAA	Net cash inflow from operating activities	<u>50,405</u>	<u>288,761</u>
	Cash flows from investing activities		
B00100	Acquisition of financial assets at fair value		
	through profit or loss	( 7,500 )	( 318,367 )
B00200	Disposal of financial assets at fair value		
	through profit or loss	26,434	317,622

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	ITEMS	2024	2023
B00040	Acquisition of financial assets measured at amortized cost	( 401,199 )	( 119,462 )
B00050	Disposal of financial assets measured at amortized cost	150,044	47,326
B02700	Acquisition of real estate, plant and equipment	( 103,737 )	( 74,094 )
B02800	Disposal of property, plant and equipment	1,052	-
B03700	Decrease in refundable deposits	2,070	165
B04500	Acquisition of intangible assets	( 12,227 )	( 13,180 )
B05350	Acquisition of right-to-use assets	( 65,411 )	-
B07300	Prepaid royalty assets	-	( 30,232 )
B07500	Interest received	8,106	7,509
B07600	Receipt of dividends from subsidiaries	1,097	1,987
BBBB	Net cash outflow from investing activities	( <u>401,271</u> )	( <u>180,726</u> )
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	240,996	183,314
C00200	Decrease in short-term borrowings	( 389,310 )	( 74,718 )
C01700	Repayment of long-term borrowings	10,000	( 42,694 )
C04020	Lease principal repayment	( 9,482 )	( 10,393 )
C04500	Cash Dividend	( 75,921 )	( 153,279 )
C05800	Payment of cash dividends to shareholders of noncontrolling interests	( 8,400 )	( 15,200 )
C04600	Cash Capital Increase	365,577	-
C04800	Employee-Executed Stock Options	10,899	3,152
C05600	Interest paid	( 5,396 )	( 3,347 )
C09900	Exercise of vesting rights	<u>928</u>	<u>-</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>139,891</u>	( <u>113,165</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>8,753</u>	( <u>8,216</u> )
EEEE	Net decrease in cash and cash equivalents	( 202,222 )	( 13,346 )
E00100	Cash and cash equivalents at beginning of year	<u>523,015</u>	<u>536,361</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 320,793</u>	<u>\$ 523,015</u>

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



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of VSO ELECTRONICS CO., LTD.

### **Opinions**

We have audited the accompanying parent company only balance sheets of VSO ELECTRONICS CO., LTD. as at December 31, 2024 and 2023, 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 parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of VSO ELECTRONICS CO., LTD. as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis of Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of VSO ELECTRONICS CO., LTD. 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 VSO ELECTRONICS CO., LTD.'s 2024 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 matter for VSO ELECTRONICS CO., LTD. 2024 financial statements are stated as follows:

### **Occurrence of operating revenues**

VSO ELECTRONICS CO., LTD. develops, manufactures, and sells a variety of connecting cables for the Internet of Things, cloud, industrial control, medical, and automotive applications. Since the products are customized and developed according to the needs of customers, the occurrence or non-occurrence of the sales transactions related to the operating revenues from specific customers has a significant impact on the consolidated financial statements. Therefore, we have determined that the occurrence of the aforementioned customer-specific revenue is a material adjustment to our consolidated financial statements.

### **How our audit addressed the matter**

We have performed primary audit procedures for the above matter as follows:

1. Understand and evaluate the effectiveness of internal control design and implementation in relation to the occurrence of consolidated revenue;
2. Sampling sales revenue details of specific customers, and verifying sales transactions by cross-referencing customer orders, shipping documents, sales invoices, and collection of accounts receivable.

### **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 financial reporting process of VSO ELECTRONICS CO., LTD.

### **Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only 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 parent company only 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 internal control of VSO ELECTRONICS CO., LTD.
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 ability of VSO ELECTRONICS CO., LTD. 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 parent company only 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 VSO ELECTRONICS CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within VSO ELECTRONICS CO., LTD. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

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Yeh Shu-Chuan

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Huang Kuo-Ning.

For and on behalf of Deloitte & Touche, Taiwan

March 13, 2025

#### Notice to Readers

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.

As the financial statements are the responsibility of the management, Deloitte & Touche 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.

VSO ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
<b>Current assets</b>					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 38,377	2	\$ 204,308	14
1110	Financial assets at fair value through profit or loss - current (Note 7)	-	-	22,339	2
1136	Financial assets measured at amortized cost - current (Notes 4 and 8)	338,208	18	25,000	2
1150	Notes receivable (Notes 4, 9 and 22)	462	-	118	-
1170	Accounts receivable (notes 4, 9 and 22)	504,390	28	298,193	21
1180	Accounts receivable - related parties (Notes 4, 9, 22 and 30)	18,390	1	28,458	2
1200	Other receivables (Notes 9 and 2-9)	1,072	-	2,050	-
1210	Other receivables - related parties (Note 30)	15,681	1	17,449	1
130X	Inventories (Notes 4 and 10)	17,760	1	20,391	2
1470	Other current assets (Notes 15 and 20)	1,566	-	1,516	-
11XX	Total current assets	<u>935,906</u>	<u>51</u>	<u>619,822</u>	<u>44</u>
<b>Non-current assets</b>					
1550	Investments accounted for under equity method (Notes 4 and 11)	747,132	41	659,591	47
1600	Property, plant and equipment (Notes 4, 12, 31 and 32)	118,085	6	118,236	8
1780	Intangible assets (Notes 4 and 14)	16,615	1	12,489	1
1840	Deferred tax assets (Notes 4 and 24)	1,107	-	1,437	-
1990	Other non-current assets (Notes 15 and 31)	15,211	1	3,572	-
15XX	Total non-current assets	<u>898,150</u>	<u>49</u>	<u>795,325</u>	<u>56</u>
1XXX	<b>Total assets</b>	<u>\$ 1,834,056</u>	<u>100</u>	<u>\$ 1,415,147</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
2100	Short-term borrowings (notes 4, 16 and 27)	\$ 34,750	2	\$ 183,314	13
2130	Contract liabilities - current (Notes 4 and 22)	-	-	362	-
2170	Accounts payable (Notes 4 and 17)	4,722	-	14,928	1
2180	Accounts payable - related parties (Notes 4 and 30)	195,264	11	133,959	9
2200	Other payables (Note 18)	50,305	3	40,935	3
2220	Other payables - related parties (Notes 4 and 30)	288	-	241	-
2230	Current tax liabilities (Notes 4 and 24)	9,610	-	35,742	3
2250	Provision for liabilities - current (Notes 4 and 19)	1,157	-	718	-
2300	Other current liabilities (Notes 4, 18 and 22)	3,724	-	1,489	-
21XX	Total current liabilities	<u>299,820</u>	<u>16</u>	<u>411,688</u>	<u>29</u>
<b>Non-current liabilities</b>					
2540	Long-term borrowings (Notes 4, 16 and 27)	9,853	1	-	-
2570	Deferred income tax liabilities (Notes 4 and 24)	34,836	2	21,101	2
2640	Other non-current liabilities (Notes 4, 18 and 27)	105	-	-	-
25XX	Total non-current liabilities	<u>44,794</u>	<u>3</u>	<u>21,101</u>	<u>2</u>
2XXX	<b>Total liabilities</b>	<u>344,614</u>	<u>19</u>	<u>432,789</u>	<u>31</u>
<b>Equity (Note 21)</b>					
3110	Share capital - Common stock	417,165	23	375,302	27
3200	CAPITAL surplus	565,514	31	227,844	16
	Retained surplus				
3310	Legal reserve	86,676	4	75,181	5
3320	Special reserve	52,481	3	40,666	3
3350	Unappropriated retained earnings	402,057	22	315,846	22
3300	<b>Total retained earnings</b>	<u>541,214</u>	<u>29</u>	<u>431,693</u>	<u>30</u>
3400	<b>Other equity</b>	<u>( 34,451 )</u>	<u>( 2 )</u>	<u>( 52,481 )</u>	<u>( 4 )</u>
3XXX	<b>Total equity</b>	<u>1,489,442</u>	<u>81</u>	<u>982,358</u>	<u>69</u>
<b>Total liabilities and equity</b>		<u>\$ 1,834,056</u>	<u>100</u>	<u>\$ 1,415,147</u>	<u>100</u>

The accompanying notes are an integral part of this individual financial report.

VSO ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	ITEMS	2024		2023	
		Amount	%	Amount	%
4000	Net operating income (Notes 4, 22 and 30)	\$ 1,199,779	100	\$ 872,443	100
5000	Operating costs (Notes 4, 10 and 30)	<u>903,220</u>	<u>75</u>	<u>622,439</u>	<u>72</u>
5900	Gross Profit	296,559	25	250,004	28
5910	Unrealized gross profit on sales to subsidiaries	( 411 )	-	( 875 )	-
5920	Realized gross profit on sales to subsidiaries	<u>875</u>	<u>-</u>	<u>301</u>	<u>-</u>
5950	Realized gross operating profit	<u>297,023</u>	<u>25</u>	<u>249,430</u>	<u>28</u>
	Operating expenses (Notes 9, 14, 20, 23 and 30)				
6100	Selling expenses	45,006	4	43,592	5
6200	General and administrative expenses	87,098	7	69,249	8
6300	Research and development expenses	30,919	3	23,243	2
6450	Expected credit impairment loss (benefit)	<u>939</u>	<u>-</u>	( <u>10,940</u> )	( <u>1</u> )
6000	Total operating expenses	<u>163,962</u>	<u>14</u>	<u>125,144</u>	<u>14</u>
6900	<b>Net operating profit</b>	<u>133,061</u>	<u>11</u>	<u>124,286</u>	<u>14</u>
	Non-operating gains and losses				
7100	Interest income (Note 2-3)	3,047	-	4,314	1

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	ITEMS	2024		2023	
		Amount	%	Amount	%
7010	Other income (Notes 2, 3 and 30)	3,070	-	4,466	1
7210	Other gains and losses (notes 7, 23 and 33)	12,787	1	642	-
7050	Finance costs (Note 23)	( 4,312 )	-	( 1,482 )	-
7060	Share of profit of associates and joint ventures accounted for using the equity method	81,548	7	12,168	1
7000	Total non-operating gains and losses	96,140	8	20,108	3
7900	Net income before tax	229,201	19	144,394	17
7950	Income tax expense (Notes 4 and 24)	( 43,629 )	( 4 )	( 30,113 )	( 4 )
8200	<b>Net profit for the year</b>	<u>185,572</u>	<u>15</u>	<u>114,281</u>	<u>13</u>
	Other comprehensive income (Notes 20, 21 and 24)				
	<b>Items that will not be reclassified to profit or loss</b>				
8311	Remeasurement of Defined Benefit Plans	-	-	818	-
8349	Income tax relating to those items not to be reclassified to profit or loss	( 87 )	-	( 163 )	-
	<b>Items that will be reclassified to profit or loss</b>				
8361	Financial statements translation differences of foreign operations	18,030	2	( 11,815 )	( 1 )
8300	<b>Total other comprehensive income (net)</b>	<u>17,943</u>	<u>2</u>	<u>( 11,160 )</u>	<u>( 1 )</u>
8500	<b>Total consolidated profit or loss for the year</b>	<u>\$ 203,515</u>	<u>17</u>	<u>\$ 103,121</u>	<u>12</u>
	Earnings per share (Note 25)				
9710	Basic Earnings Per Share	<u>\$ 4.78</u>		<u>\$ 3.05</u>	
9810	Diluted Earnings Per Share	<u>\$ 4.74</u>		<u>\$ 3.01</u>	

The accompanying notes are an integral part of this individual financial report.



VSO ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

ITEMS		Share capital (note 21)		Capital surplus (Note 21)	Retained earnings (Notes 21 and 24)			Overseas Operating Organizations Financial Statement Translation Exchange Differences (Note 21)	Total equity
		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Unappropriated retained earnings		
A1	Balance as of January 1, 2023	33,997	\$ 339,974	\$ 225,003	\$ 39,126	\$ -	\$ 464,954	( \$ 40,666 )	\$ 1,028,391
	Appropriations of 2022 earnings								
B1	Legal reserve	-	-	-	36,055	-	( 36,055 )	-	-
B3	Special reserve	-	-	-	-	40,666	( 40,666 )	-	-
B5	Cash dividends	-	-	-	-	-	( 153,279 )	-	( 153,279 )
B9	Stock dividends	3,406	34,062	-	-	-	( 34,062 )	-	-
C7	Changes in ownership interests in subsidiaries	-	-	-	-	-	18	-	18
N1	Employee stock option compensation cost	-	-	955	-	-	-	-	955
N1	Common shares issued under employee stock option plan	127	1,266	1,886	-	-	-	-	3,152
D1	2023 Net Profit	-	-	-	-	-	114,281	-	114,281
D3	Other comprehensive income after tax for the year 112	-	-	-	-	-	655	( 11,815 )	( 11,160 )
Z1	Balance at December 31, 2023	37,530	375,302	227,844	75,181	40,666	315,846	( 52,481 )	982,358
E1	Cash Capital Increase	3,660	36,600	328,977	-	-	-	-	365,577
	Appropriations of 2023 earnings								
B1	Legal reserve	-	-	-	11,495	-	( 11,495 )	-	-
B3	Special reserve	-	-	-	-	11,815	( 11,815 )	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	( 75,921 )	-	( 75,921 )
C7	Changes in ownership interests in subsidiaries	-	-	-	-	-	( 43 )	-	( 43 )
C17	Exercise of vesting rights	-	-	928	-	-	-	-	928
N1	Employee stock option compensation cost	-	-	2,129	-	-	-	-	2,129
N1	Common shares issued under employee stock option plan	526	5,263	5,636	-	-	-	-	10,899
D1	113 Net Income	-	-	-	-	-	185,572	-	185,572
D3	Other comprehensive income after tax for the year 113	-	-	-	-	-	( 87 )	18,030	17,943
Z1	Balance of December 31, 2024	41,716	\$ 417,165	\$ 565,514	\$ 86,676	\$ 52,481	\$ 402,057	( \$ 34,451 )	\$ 1,489,442

The accompanying notes are an integral part of this individual financial report.

VSO ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	ITEM	2024	2023
	Cash flows from operating activities		
A10000	Net profit for the year before tax	\$ 229, 201	\$ 144,394
	Gain/loss items:		
A20100	Depreciation expense	4,760	5,609
A20200	Amortization expense	6,360	4,406
A20300	Expected credit impairment loss (reversal of gain)	939	( 10,940 )
A20400	Net loss on financial assets at fair value through profit or loss	788	1,234
A20900	Finance Costs	4,312	1,482
A21200	Interest income	( 3,047 )	( 4,314 )
A21900	Share-based compensation cost	2,022	1,000
A22400	Equity-method share of profit or loss of subsidiaries and affiliated companies	( 81,548 )	( 12,168 )
A22500	Disposal of interests in real property, plant and equipment	( 35 )	( 6 )
A23700	Inventory decline and obsolescence loss	930	-
A23800	Benefits from inventory decline and slow-moving inventory rebound	-	( 160 )
A23900	Unrealized gross profit on sales to subsidiaries	-	574
A24000	Realized gross profit on sales to subsidiaries	( 464 )	-
A29900	Government subvention income	( 349 )	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes Receivable	( 344 )	( 118 )
A31150	Accounts receivable	( 207,136 )	55,006
A31160	Accounts receivable - related parties	10,068	( 13,820 )
A31180	Other receivables	1,666	75,441
A31190	Other receivables - related parties	1,115	( 1,217 )
A31200	Inventory	1,701	( 7,831 )

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	ITEM	2024	2023
A31220	Prepaid Pension	373	-
A31240	Other current assets	( 392 )	( 645 )
A31990	Other non-current assets	( 402 )	-
A32110	Financial liabilities held for trading	( 872 )	( 1,485 )
A32125	Contractual liabilities	( 362 )	232
A32150	Accounts payable	( 10,206 )	12,229
A32160	Accounts payable - related parties	61,305	( 25,524 )
A32180	Other payables	9,632	( 24,794 )
A32190	Other payables - related parties	47	241
A32200	Provision for liabilities	439	157
A32230	Other current liabilities	2,292	( 810 )
A32240	Net Defined Benefit Liability	<u>-</u>	<u>( 8,643 )</u>
A33000	Cash generated from operations	32,793	189,530
A33500	Payment of income tax	<u>( 55,814 )</u>	<u>( 81,397 )</u>
AAAA	Net cash flows (out) from operating activities	<u>( 23,021 )</u>	<u>108,133</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	( 338,208 )	( 25,000 )
B00050	Disposal of financial assets measured at amortized cost	25,000	15,350
B00100	Acquisition of financial assets at fair value through profit or loss	-	( 91,000 )
B00200	Disposal of financial assets at fair value through profit or loss	22,423	68,912
B02200	Net cash outflow from acquisition of subsidiaries	-	( 159,606 )
B02300	Repayment of capital reduction by subsidiaries	-	52,565
B02700	Acquisition of real estate, plant and equipment	( 18,894 )	( 9,117 )
B02800	Disposal of property, plant and equipment	-	183
B03700	Increase in guarantee deposits	-	( 391 )
B03800	Decrease in refundable deposits	3,048	-
B04300	Increase in other receivables - related parties	( 14,751 )	( 15,355 )
B04400	Decrease in other receivables from related parties	15,355	-

(continued on next page)

(Continued from previous page)

code		2024	2023
B04500	Purchase of intangible assets	( 10,486 )	( 4,817 )
B07500	Interest received	2,408	3,821
B07600	Receipt of dividends from subsidiaries	<u>12,600</u>	<u>102,000</u>
BBBB	Net cash outflow from investing activities	( <u>301,505</u> )	( <u>62,455</u> )
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	240,996	183,314
C00200	Decrease in short-term borrowings	( 389,310 )	-
C01600	Long-term borrowings	10,000	-
C01700	Repayment of long-term loans	-	( 42,694 )
C04020	Lease principal repayment	-	( 1,587 )
C04500	Cash Dividend	( 75,921 )	( 153,279 )
C04600	Cash Capital Increase	365,577	-
C04800	Employee-Executed Stock Options	10,899	3,152
C05600	Interest paid	( 4,574 )	( 1,201 )
C09900	Exercise of vesting rights	<u>928</u>	<u>-</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>158,595</u>	( <u>12,295</u> )
EEEE	Net (decrease) increase in cash and cash equivalents	( 165,931 )	33,383
E00100	Cash and cash equivalents at beginning of year	<u>204,308</u>	<u>170,925</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 38,377</u>	<u>\$ 204,308</u>

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

## [Annexes VII]

### VSO Electronics Co., Ltd. Earnings Distribution Table Year 2024

Items	Unit: NT\$ Total
Retained earnings at the beginning of the year	216,615,318
Less : Remeasurements of Defined Benefit Plans Recognized in Other Comprehensive Income	(87,229)
Less : Changes in Equity of Associates Accounted for Using the Equity Method, Recognized in Profit or Loss	(42,986)
Adjusted Retained Earnings	216,485,103
Plus : Net Profit for 2024	185,571,340
Plus : Special Reserve	18,029,076
Less : Legal Reserve Appropriated in Accordance with Company Law (10%)	(18,544,113)
Distributable Retained Earnings	401,541,406
Earnings Distribution Items :	
Common Stock Dividend :	
Cash Dividend (NT\$2.0/share)	(83,433,072)
Stock Dividend (NT\$0.5/share)	(20,858,270)
Unappropriated Retained Earnings Balance	297,250,064

Note :

- 1 、The distributable portion of the 2024 earnings will be prioritized for dividend distribution.

Chairman : Chien Chung Cheng    Manager : Tsai Tsai Yuan    Accounting Manager : Chiu Pao Kuei

## VSO Electronics Co., Ltd.

### " Articles of Incorporation " Comparison table of provisions before and after the amendment

Article	Amended Article	Original Article	Explanation
Article 24	<p>The Company shall allocate 2% to 10% of its pre-tax profits before deducting employee and Director remuneration as employee remuneration and no more than 2% as Director remuneration, after reserving funds for loss compensation.</p> <p><u>At least 15% of the allocated employee remuneration shall be distributed to junior employees as approved by the Board of Directors. The scope of junior employees shall be determined by the Board resolution.</u></p> <p>Employee remuneration may be distributed in cash or stock, while Director remuneration shall be paid in cash. The distribution shall be approved by at least two-thirds of the Board members present at a meeting where more than half of all Directors attend and shall be reported to the shareholders' meeting.</p> <p>Employees eligible for stock or cash remuneration may include employees of the Company's subsidiaries or affiliates as determined by the Board.</p>	<p>The Company shall allocate 2% to 10% of its pre-tax profits before deducting employee and Director remuneration as employee remuneration and no more than 2% as Director remuneration, after reserving funds for loss compensation.</p> <p>Employee remuneration may be distributed in cash or stock, while Director remuneration shall be paid in cash. The distribution shall be approved by at least two-thirds of the Board members present at a meeting where more than half of all Directors attend and shall be reported to the shareholders' meeting.</p> <p>Employees eligible for stock or cash remuneration may include employees of the Company's subsidiaries or affiliates as determined by the Board.</p>	<p>In compliance with the amendment of Article 14, Paragraph 6 of the Securities and Exchange Act</p>
Article 27	<p>(Above Omitted)</p> <p>22. July 9, 2021</p> <p>23. May 11, 2023</p> <p>24. May 15, 2024</p> <p><u>25. May 12, 2025</u></p>	<p>(Above Omitted)</p> <p>22. July 9, 2021</p> <p>23. May 11, 2023</p> <p>24. May 15, 2024</p>	<p>Add revision date and the number of the revisions.</p>

**VSO ELECTRONICS CO., LTD.**  
**Procedures for the Issuance and Subscription of the First**  
**Employee Stock Options in 2025**

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

**I. Purpose of Issuance**

To attract and retain key talent, motivate employees, and enhance their sense of belonging, thereby creating benefits for the company and shareholders, this issuance and subscription procedure for employee stock options is formulated in accordance with Article 28-3 of the Securities and Exchange Act and relevant regulations promulgated by the Financial Supervisory Commission.

**II. Issuance Period**

The issuance shall take place within two years from the date of receipt of the effectiveness notice from the competent authority. The actual issuance may be conducted in one or multiple batches, with the specific dates determined by the Chairman of the Board.

**III. Eligibility Criteria for Option Holders**

1. The employee stock options are granted to eligible employees of the company, including those employed by subsidiaries or controlled companies who meet certain conditions. Eligible employees include full-time and part-time employees, both local and foreign, who receive salaries from the company, excluding dispatched personnel, outsourced workers, and directors who are not concurrently employees.
2. The record date for stock option eligibility shall be determined by the Chairman of the Board. The actual list of employees eligible for stock options and the number of options granted shall be determined based on seniority, job position, performance, contributions, special achievements, or other managerial considerations. The list must be approved by the Chairman and subsequently confirmed by the Board of Directors. For employees who are also directors or executives, approval from the Compensation Committee is required before submission to the Board of Directors. For non-executive employees, the Audit Committee must first review the proposal before submission to the Board of Directors.
3. The cumulative number of shares that a single option holder may subscribe to, including restricted employee shares previously acquired, shall not exceed 0.3% of the total issued shares. Additionally, the cumulative number of shares a single option holder may acquire

through employee stock options shall not exceed 1% of the total issued shares. However, if specifically approved by the competent central authorities, this limitation may be lifted.

#### **IV. Total Issuance Volume**

The total issuance volume is 300 units, with each unit granting the right to purchase 1,000 shares of the company's common stock. The total number of new shares to be issued upon exercise of these stock options is 300,000 shares.

#### **V. Stock Subscription Conditions**

1. **Subscription Price:** The subscription price shall be no less than 60% of the closing price of the company's common stock on the issuance date of the stock option certificate.
2. **Exercise Period:**
  - Employees may exercise their stock options after two years from the grant date under the following conditions. The stock option certificate has a validity period of four years from the date of issuance and cannot be transferred, pledged, gifted, or otherwise disposed of, except in cases of inheritance. Any unexercised stock options upon expiration shall be deemed forfeited, and the option holder may no longer claim such rights.

#### **Cumulative Exercisable Stock Option Percentage:**

- After 2 years (beginning the third year): **50%**
  - After 3 years (beginning the fourth year): **100%**
  - If an option holder commits a serious violation of labor contracts or regulations, the company reserves the right to reclaim and cancel any unexercised stock options.
3. **Type of Shares Subscribed:** Common shares of the company.
  4. **Handling of Employee Departure:**
    - **Resignation:** Exercisable stock options may be exercised within 30 days of resignation. Unexercised options will be forfeited upon resignation.
    - **Dismissal:** Exercisable stock options must be exercised within 30 days from the effective date of contract termination. Unexercised options will be forfeited immediately.
    - **Retirement:** All granted stock options become fully exercisable and must be exercised within 30 days of retirement.
    - **Death:** Exercisable stock options may be exercised by legal heirs within three months of the employee's death. If not exercised within three months, the heirs may submit a written request for an extension, subject to Chairman's approval, but the extension shall



not exceed three additional months. Unexercisable options will be forfeited upon the date of death.

- **Disability Due to Occupational Injury:**
  - If an employee becomes disabled due to an occupational injury and is unable to continue employment, all granted stock options become exercisable and must be exercised within 30 days of departure.
  - If an employee dies due to an occupational injury, all granted stock options may be exercised by legal heirs within 30 days of the employee's death.
- **Layoff:** Exercisable stock options may be exercised within 30 days from the effective termination date. Unexercised options may be forfeited or exercised within a timeframe determined by the Chairman or authorized personnel.
- **Transfer to an Affiliated Company:** If transferred to an affiliated company (excluding subsidiaries), stock options will be treated as per resignation policies, unless the transfer is mandated by the company, in which case the Chairman may authorize a different exercise schedule.
- **Unpaid Leave:** Exercisable stock options must be exercised within three months of unpaid leave commencement. Unexercised options will be deferred until after reinstatement, provided they remain within the stock option validity period.
- **Other Termination of Employment:** Cases not explicitly covered shall be determined by the Chairman and reported to the Board for approval.
- **Failure to Exercise Within the Prescribed Period:** If an option holder or legal heir fails to exercise the stock options within the specified timeframe, the rights shall be deemed forfeited and cannot be claimed thereafter.

#### 5. **Handling of Forfeited or Expired Stock Options:**

- Any forfeited or reclaimed stock options will be canceled and not reissued.

### **VI. Method of Performance**

The company will issue new common stock to fulfill stock option exercises.

### **VII. Adjustment of Subscription Price**

1. **General Adjustments** After the issuance of this stock option certificate, except for the issuance of new common shares due to the conversion of various securities with stock conversion or subscription rights or stock issuance for employee compensation, if there is any change in the company's common stock (including private placements), such as cash capital increase, retained earnings capitalization, capital reserve capitalization, mergers, stock splits, cash capital increase for issuing overseas depository receipts, or acquisition of other

companies' shares to issue new stock, the subscription price shall be adjusted according to the following formula on the ex-rights date of the new stock issuance. If the change results from a modification of the stock's par value, the adjustment shall take place on the new stock exchange date, but if an actual payment operation is involved, the adjustment shall be made on the date when the stock payment is fully paid (rounded to the nearest tenth of a New Taiwan Dollar).

**Adjusted Subscription Price** = Previous Subscription Price  $\times$  (Total Issued Shares + (Per Share Payment  $\times$  Number of New Shares Issued) / Market Price Per Share) / (Total Issued Shares + Number of New Shares Issued)

**In case of a change in stock par value: Adjusted Subscription Price** = Previous Subscription Price  $\times$  (Total Issued Common Shares Before Par Value Change / Total Issued Common Shares After Par Value Change)

- **Total Issued Shares** refers to the total number of common shares issued (including privately placed shares) and should exclude treasury shares repurchased but not yet canceled or transferred.
  - **Per Share Payment** shall be zero in cases of bonus share issuance or stock splits.
  - If the adjusted subscription price is higher than the previous subscription price, no adjustment shall be made.
  - In cases of mergers, acquisitions, or stock splits involving other companies, the adjustment of the subscription price shall be determined according to the merger agreement, share transfer agreement, or split plan, as well as relevant laws and regulations.
2. **Adjustments Due to Capital Reduction** If the company undergoes a capital reduction for reasons other than treasury stock cancellation, resulting in a decrease in common shares, the subscription price shall be adjusted based on the following formula on the capital reduction reference date. If the reduction is due to a change in stock par value, the adjustment shall be made on the new stock exchange date (rounded to the nearest tenth of a New Taiwan Dollar):
- **Capital Reduction to Offset Losses: Adjusted Subscription Price** = Previous Subscription Price  $\times$  (Total Issued Common Shares Before Capital Reduction / Total Issued Common Shares After Capital Reduction)
  - **Cash Capital Reduction: Adjusted Subscription Price** = Previous Subscription Price  $\times$  (1 - (Per Share Cash Refund / Closing Price on the Last Trading Day Before New Share Issuance))  $\times$  (Total Issued Common Shares Before Capital Reduction / Total Issued Common Shares After Capital Reduction)

- **Change in Stock Par Value: Adjusted Subscription Price** = Previous Subscription Price  $\times$  (Total Issued Common Shares Before Par Value Change / Total Issued Common Shares After Par Value Change)
3. **Adjustments Due to Cash Dividends** If the company distributes cash dividends, the subscription price shall be adjusted on the ex-dividend reference date using the following formula (rounded to the nearest tenth of a New Taiwan Dollar):

**Adjusted Subscription Price** = Previous Subscription Price  $\times$  (1 - (Cash Dividend per Share / Market Price per Share))

The above-mentioned current price per share shall be the simple arithmetic average of the closing prices of the common stock for the first, third or fifth business days before the announcement date of the cash dividend stop transfer ex-dividend.

4. **Adjustments Due to Both Cash and Stock Dividends** If the company distributes both cash dividends and stock dividends (including retained earnings capitalization and capital reserve capitalization), the subscription price shall first be adjusted for the cash dividend, followed by an adjustment for the stock dividend amount.

## VIII. Procedures for Exercising Stock Option Rights

1. Except during legally mandated stock transfer suspension periods and the restricted periods listed below, option holders may exercise their stock option rights according to the schedule set forth in this plan by submitting a stock subscription request form to the company.
  - The legally mandated stock transfer suspension period before the annual shareholders' meeting.
  - The period starting 15 business days before the ex-rights date for bonus shares, ex-dividend date for cash dividends, or ex-rights date for cash capital increases, until the allocation record date.
  - Other legally mandated stock transfer suspension periods as determined by relevant circumstances.
2. Upon receiving the stock subscription request, the company shall notify the option holder to remit the required payment to a designated bank account. Once the payment is made, it cannot be revoked. Failure to remit payment by the due date shall be considered a forfeiture of the stock subscription right.
3. After confirming full payment, the company's stock transfer agent shall record the number of subscribed shares and the name of the subscriber in the company's shareholder register. The

newly issued common shares will be delivered via book-entry transfer within five business days.

4. The company shall announce the number of shares issued due to the exercise of employee stock options within 15 days after the end of each quarter. At least once per quarter, the company shall apply to the competent authority for capital registration updates related to the exercised stock options. In special cases, adjustments may be made with the approval of the Chairman.

## **IX. Restrictions After Exercise**

Shares acquired through stock options shall have the same rights and obligations as existing common shares of the company.

## **X. Tax Obligations**

All tax obligations arising from stock transactions shall be handled in accordance with prevailing tax laws.

## **XI. Confidentiality Requirements**

Employees must maintain confidentiality regarding stock option grants and amounts. Any violation shall be subject to disciplinary action, including stock option cancellation.

## **XII. Implementation Details**

Detailed procedures and timelines for stock option allocation, exercise, and payments will be communicated separately by the company's responsible department.

## **XIII. Other Important Matters**

1. This policy shall take effect upon approval by a two-thirds majority of the Board and subsequent approval by the competent authority. Any amendments before issuance shall follow the same approval process. Future modifications due to regulatory changes or environmental factors may be authorized by the Chairman and later ratified by the Board.
2. Any matters not covered herein shall be governed by relevant laws and regulations.
3. This policy was approved and implemented by the Board on **March 13, 2025**.

## VSO ELECTRONICS CO., LTD.

## Removal of non-compete list for new directors

Director	Concurrent Company Name	Concurrent Position
Jerry Chien	VSO Electronics (Suzhou) Co., LTD	Chairman
	Ji An VSO Electronics Co., LTD	Chairman
	LINKUPON INTERNATIONAL LIMITED	Chairman
	Linkupon International Holdings, Limited	Chairman
	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Chairman
	VSO (Viet Nam) Electronics Co., LTD	Chairman
	Ding Hong Investment Co., Ltd.	Chairman
	VSOVN ELECTRONICS (HANOI) COMPANY LIMITED	Chairman
	Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material,inc	Director
Chung-Lin Chien	China Development Biotechnology Venture Capital Co., Ltd.	Director
	Development International Investment Co., Ltd.	General Manager
	CDIB & Partners Investment Holding (Cayman) Ltd.	Director and General Manager
T.C Huang	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Chairman
	DRAGONJET CORPORATION	Chairman
	Radiant Opto-Electronics Corporation	Independent director
	ICHIA TECHNOLOGIES, INC	Director
	Master Lake Int'l Limited (B.V.I)	Director
	Waysboth Co., Ltd.(B.V.I)	Director
	Waysboth Co., Ltd.(H.K.)	Director
	Year Sweep Limited.(Samoa)	Director

	I-SHENG Electric Wire & Cable Compnay (Vietnam)	Director
	I-SHENG Viet Nam Trading and Service Co.,Ltd.	Director
	I-LI Electric Wire & Cable Compnay (Vietnam)	Director
	Junyu Plastic Co., Ltd.	Director
	Lian Dong Wire Materials Co., Ltd.	Director
	Minhong Wire & Cable (Shenzhen) Co., Ltd.	Director
	I-Sheng Electronics Technology (Kunshan) Co., Ltd.	Director
	I-Sheng Electronics (Shenzhen) Co., Ltd.	Director
	I-Sheng (Japan) Co., Ltd.	Director
	TAI TUNG CO.,LTD (B.V.I)	Director
	Dongguan Tai Tung Wire Co., Ltd.	Director
	Admiral Global Limited(HK)	Director
Star Lin	EBM Technologies Incorporated	Independent Director
	LINKUPON INTERNATIONAL LIMITED	Director
	LINKUPON INTERNATIONAL LIMITED	General Manager
Advantech Corporate Investment	Cermate Technologies Inc.	Director
	Feng Sang Enterprise Co., Ltd.	Director
	CDIB Innovation Accelerator Co., Ltd.	Director
	Mildex Optical Inc.	Director
	Smasoft Technology Co., Ltd.	Director
	Impelex Data Transfer Co., Ltd.	Director
	International Integrated Systems, Inc.	Director
	Hwacom Systems Inc.	Director
	AzureWave Technologies, Inc.	Director
	Yan Xu Green Electricity Co.,Ltd.	Director

	Freedom System Inc.	Director
	Expotech Co., Ltd.	Director
Hui-Chin Chiu	Ju Teng International Holdings Limited	Executive Director/Chief Strategic Officer
	SYNCMOLD ENTERPRISE CORP.	Independent Director
	AURAS Technology Co.,Ltd.	Independent Director
	Allmind Holdings Corporation.	Independent Director
	TaiYang Solar Power Co., Ltd.	Director
	Sunny Rich Group	Consultant
Chung-Yuan Hsu	TAIWAN CHINSAN ELECTRONIC INDUSTRIAL CO., LTD	Director
Ming-Wei Lai	Lee Shin Investment Co., Ltd.	Supervisor
	Nexus Material Corporation	Supervisor

## **VSO ELECTRONICS CO., LTD.**

### **Articles of Incorporation**

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

#### **Chapter I: General Provisions**

**Article 1:** The Company is organized in accordance with the Company Act and is named VSO Electronics Co., Ltd..

**Article 2:** The business scope of the Company is as follows:

1. CC01080 Manufacturing of Electronic Components
2. CC01110 Manufacturing of Computers and Peripheral Equipment
3. F108031 Wholesale of Medical Equipment
4. F113010 Wholesale of Machinery
5. F113020 Wholesale of Electrical Appliances
6. F113030 Wholesale of Precision Instruments
7. F113050 Wholesale of Computers and Office Machinery Equipment
8. F114030 Wholesale of Automobile and Motorcycle Parts and Accessories
9. F118010 Wholesale of Information Software
10. F119010 Wholesale of Electronic Materials
11. F401010 International Trade
12. I301010 Information Software Services
13. I501010 Product Design
14. D101060 Renewable Energy Self-Use Power Generation Equipment
15. IG03010 Energy Technology Services
16. ZZ99999 Any business not prohibited or restricted by laws and regulations may be operated by the Company.

**Article 3:** The Company is headquartered in New Taipei City and may establish branches or subsidiaries domestically or internationally as resolved by the Board of Directors.

**Article 4:** The Company's public announcements shall be handled in accordance with Article 28 of the Company Act.

**Article 5:** The Company may provide external guarantees when necessary for business operations, subject to Board resolutions. The Company's total investment is not subject to the restriction of 40% of paid-in capital.



## **Chapter II: Shares**

**Article 6:** The Company's total authorized capital is NT\$600 million, divided into 60 million shares with a par value of NT\$10 per share. The unissued shares are authorized for issuance in installments as needed by the Board of Directors.

A total of NT\$60 million within the authorized capital is reserved for the issuance of employee stock options, amounting to 6 million shares at NT\$10 per share, to be issued in installments as needed by the Board.

The Company may repurchase its own shares in accordance with legal provisions and authorize the Board to execute such repurchases.

If employee stock options are issued at a price lower than the closing price of the Company's stock on the issuance date, or if treasury shares are transferred to employees at a price lower than the average repurchase price, such issuance or transfer must be approved by a special resolution of the shareholders' meeting.

Employees eligible for stock options, restricted stock grants, or treasury stock transfers may include employees of the Company's subsidiaries or affiliates as determined by the Board.

**Article 7:** The Company's shares shall be in registered form, signed or stamped by the Director representing the Company, and issued after legal certification.

The Company may deliver shares electronically instead of issuing physical stock certificates, in accordance with legal regulations. The same applies to other securities issued by the Company.

**Article 8:** Share transfer registrations shall be suspended during the following periods: 60 days before the annual shareholders' meeting, 30 days before an extraordinary shareholders' meeting, 5 days before the ex-dividend or ex-rights date.

## **Chapter III: Shareholders' Meetings**

**Article 9:** Shareholders' meetings are classified as annual and extraordinary meetings. The annual meeting shall be convened once a year within six months after the end of the fiscal year, while extraordinary meetings shall be convened as necessary in accordance with legal provisions. Shareholders' meetings, unless otherwise provided by the Company Act, shall be convened by the Board of Directors.

The Company may hold shareholders' meetings via video conferencing or other methods announced by the central authority. The conditions, procedures, and compliance requirements for video conferences shall be in accordance with relevant regulations.

**Article 10:** Shareholders unable to attend a meeting in person may issue a proxy specifying the scope of authorization and sign or stamp it to appoint an agent to attend on their behalf.

The use of proxies shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" issued by the competent authority unless otherwise provided by the Company Act.

**Article 11:** Each shareholder is entitled to one vote per share unless otherwise stipulated by law.

**Article 12:** Shareholders' meeting resolutions, unless otherwise stipulated by the Company Act or relevant laws, shall require the presence of shareholders representing more than half of the total issued shares, and approval by a majority of the voting rights of the attending shareholders.

Minutes of shareholders' meetings shall be prepared, signed, or stamped by the chairperson, and distributed to shareholders within 20 days after the meeting. The distribution may be done electronically or by public announcement.

**Article 13:** The Company allows electronic voting as a means for shareholders to exercise their voting rights, in accordance with regulations set by the competent authority.

#### **Chapter IV: Directors and Audit Committee**

**Article 14:** The Company shall have 5 to 9 Directors, with a three-year term. The election of Directors (including Independent Directors) shall follow the candidate nomination system under Article 192-1 of the Company Act, and they may be re-elected. The total shareholding ratio of all Directors shall comply with regulatory requirements.

Among the Directors, at least three shall be Independent Directors, and their number shall not be less than one-third of the total Board seats. The qualifications, shareholding, restrictions, nomination, election, and other relevant matters regarding Independent Directors shall comply with regulations set by the securities authority.

The Company may purchase liability insurance for Directors (including Independent Directors) during their term of office.

**Article 15:** The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed entirely of Independent Directors and shall exercise its powers in accordance with applicable laws.

The Board may establish functional committees and appoint relevant personnel as members. The organization regulations of functional committees shall be approved by the Board and shall specify

matters such as the number of members, term of office, powers, rules of procedure, and resources provided by the Company.

**Article 16:** The Board of Directors shall be composed of Directors, and a Chairperson shall be elected among them with the approval of at least two-thirds of the Directors present and a majority vote. The Chairperson shall act as the convener and chair of the Board and Shareholders' meetings and shall represent the Company externally.

**Article 17:** Except for the first Board meeting of each term, which shall be convened in accordance with Article 203 of the Company Act, other Board meetings shall be convened by the Chairperson. Board resolutions shall require the attendance of a majority of Directors and the approval of a majority of those present.

**Article 18:** If the Chairperson is on leave or unable to perform their duties, a proxy shall be appointed in accordance with Article 208 of the Company Act. Directors shall personally attend Board meetings; however, if a Director is unable to attend due to valid reasons, they may issue a proxy letter in accordance with Article 205 of the Company Act, specifying the scope of authorization and appointing another Director to attend on their behalf. Each proxy Director may only accept one such delegation.

If a Board meeting is conducted via video conferencing, Directors participating through video shall be deemed as attending in person.

**Article 19:** The convening of Board meetings shall specify the agenda, and notices shall be sent to all Directors within the legally prescribed period. In urgent cases, meetings may be convened at any time.

Board meeting notices may be delivered in writing, via email, or by fax.

**Article 20:** The discussions and resolutions of Board meetings shall be recorded in minutes, signed, or stamped by the Chairperson, and distributed to all Directors within 20 days after the meeting. These records may be maintained in electronic form.

**Article 21:** The remuneration for all Directors shall be determined by the Board of Directors based on their participation and contributions to the Company's operations and with reference to industry standards.

Directors who also serve as executives or employees of the Company may receive salaries and other benefits in accordance with their roles and the Company's financial performance.

## **Chapter V: Managers**

**Article 22:** The Company may appoint managers whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

The Company may purchase liability insurance for managers during their term of office.

## **Chapter VI:: Accounting**

**Article 23:** The Company's fiscal year begins on January 1 and ends on December 31 each year. At the end of each fiscal year, the Board shall prepare business reports, financial statements, and profit distribution or loss recovery proposals, which shall be submitted to the shareholders' annual meeting for approval.

**Article 24:** The Company shall allocate 2% to 10% of its pre-tax profits before deducting employee and Director remuneration as employee remuneration and no more than 2% as Director remuneration, after reserving funds for loss compensation.

Employee remuneration may be distributed in cash or stock, while Director remuneration shall be paid in cash. The distribution shall be approved by at least two-thirds of the Board members present at a meeting where more than half of all Directors attend and shall be reported to the shareholders' meeting.

Employees eligible for stock or cash remuneration may include employees of the Company's subsidiaries or affiliates as determined by the Board.

**Article 25:** Profit distribution shall be executed in the following order:

- 1.Compensation for losses.
- 2.Allocation of 10% as legal reserve, except when the legal reserve reaches the paid-in capital.
- 3.Allocation of special reserves as required by law or the competent authority.
- 4.Distribution of the remaining profits, together with undistributed earnings from previous years, as determined by the Board and approved by the shareholders' meeting.

The Board is authorized to distribute cash dividends from earnings or capital reserves by a resolution approved by at least two-thirds of the Directors present at a meeting where more than half of all Directors attend. This shall be reported to the shareholders' meeting.

The Company shall consider future capital needs, financial planning, and shareholder interests in its dividend policy. Dividends may be distributed as cash or stock, with no less than 35% of distributable earnings to be allocated as dividends, and cash dividends shall constitute no less than 20% of total dividends. Adjustments to these ratios may be made based on actual profitability and financial conditions, subject to shareholder approval.

## **Chapter VII: Supplementary Provisions**

**Article 26:** Any matters not covered in these Articles of Incorporation shall be governed by the Company Act and other applicable laws and regulations.

**Article 27:** Initial adoption on August 9, 1994, with subsequent amendments on the following dates:

1. April 26, 1995
2. June 8, 1996
3. September 5, 1997
4. October 22, 1999
5. December 25, 2001
6. June 1, 2002
7. December 15, 2003
8. November 10, 2006
9. August 10, 2007
10. August 20, 2009
11. August 26, 2011
12. December 14, 2011
13. May 30, 2012
14. May 22, 2013
15. December 13, 2013
16. June 18, 2014
17. June 26, 2015
18. June 8, 2016
19. June 14, 2019
20. September 30, 2019
21. June 12, 2020
22. July 9, 2021
23. May 11, 2023
24. May 15, 2024

## **VSO ELECTRONICS CO., LTD.**

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

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

#### **Article 1**

To establish a good governance system for shareholders' meetings, enhance supervisory functions, and strengthen management capabilities, these Rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

#### **Article 2**

The rules of procedure for shareholders' meetings of this Company shall follow these Rules unless otherwise specified by laws or the Articles of Incorporation.

#### **Article 3**

Except as otherwise provided by law, shareholders' meetings shall be convened by the Board of Directors. Any change to the manner of convening a shareholders' meeting must be resolved by the Board and made no later than the issuance of the meeting notice.

The Company shall, at least 30 days before the annual shareholders' meeting and 15 days before an extraordinary shareholders' meeting, submit the meeting notice, proxy form, proposals for ratification, discussion items, and related information in electronic form to the Market Observation Post System (MOPS). Additionally, at least 21 days before the annual shareholders' meeting and 15 days before an extraordinary meeting, the meeting manual and supplemental information shall also be submitted in electronic form to MOPS. If the Company's paid-in capital is NT\$10 billion or more, or if foreign and Mainland Chinese shareholders hold 30% or more of the Company's shares, the electronic files must be uploaded to MOPS at least 30 days before the annual shareholders' meeting.

The meeting manual and supplemental information shall be made available to shareholders for review 15 days before the shareholders' meeting and displayed at the Company and its shareholder services agent. On the day of the meeting, these materials shall be distributed at the meeting venue for physical meetings or provided on the video conferencing platform for virtual meetings.

The meeting notice must state the purpose of the meeting. If both parties consent, the notice may be delivered electronically.

The notice must list and explain any significant matters, such as the election or removal of directors, amendments to the Articles of Incorporation, capital reductions, application for ceasing public issuance, director competition permission, allocation of surplus to capital, allocation of reserves to capital, company dissolution, merger, division, and matters under Article 185 of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, and other relevant securities laws and regulations. These matters may not be raised as ad hoc motions.

If the agenda includes the full re-election of directors and supervisors with a specified assumption date, this date may not be changed via ad hoc motions or other means after the election is completed.

Shareholders holding 1% or more of the total issued shares may submit one proposal for the annual shareholders' meeting. If more than one proposal is submitted, only the first will be included in the agenda. Proposals falling under any of the categories in Article 172-1, Paragraph 4 of the Company Act may be excluded by the Board.

Shareholders may submit suggestions for the Company to enhance public welfare or fulfill social responsibilities, with the submission limited to one proposal per shareholder according to Article 172-1 of the Company Act. The Company shall announce the acceptance period for shareholder proposals before the record date of the annual shareholders' meeting. The acceptance period must be no less than 10 days.

Each shareholder proposal is limited to 300 words; proposals exceeding this limit will not be included in the agenda. Shareholders who submit proposals must attend the annual shareholders' meeting in person or by proxy to participate in discussions.

The Company shall notify the proposing shareholder of the disposition of their proposal before the meeting notice is issued. Proposals included in the meeting notice shall be explained in the shareholders' meeting. For those not included, the Board shall explain the reason at the shareholders' meeting.

## **Article 4**

Shareholders may issue a proxy form provided by the Company, specifying the scope of authorization to appoint a proxy to attend the shareholders' meeting. Each shareholder may issue only one proxy form, appointing one person as a proxy, and must submit the proxy form to the Company at least five days before the meeting. In case of multiple submissions, the first one received will prevail unless a prior submission is explicitly revoked.

If a shareholder wishes to attend the meeting in person or exercise voting rights in writing or electronically after submitting a proxy, they must notify the Company in writing at least two days

before the meeting to revoke the proxy. If the notice is not submitted on time, the proxy shall attend the meeting on the shareholder's behalf.

If the shareholder plans to attend the meeting virtually after submitting a proxy, they must notify the Company in writing at least two days prior to the meeting to revoke the proxy. Otherwise, the proxy will attend on their behalf.

## **Article 5 (Location and Time of the Shareholders' Meeting)**

Shareholders' meetings shall be held at the Company's headquarters or at a convenient location suitable for holding such meetings. Meetings may not commence earlier than 9:00 AM or later than 3:00 PM. The time and location should consider the opinions of independent directors.

If the meeting is held virtually, the location restriction does not apply.

## **Article 6 (Preparation of Sign-In Sheets and Documents)**

The Company shall specify the check-in time, check-in location, and other important details in the meeting notice.

The check-in time shall start at least 30 minutes before the meeting. The check-in area should be clearly marked and staffed appropriately. For virtual meetings, shareholders should check in via the virtual platform, and those who complete check-in will be deemed to have attended the meeting in person.

Shareholders should present an attendance certificate, sign-in card, or other proof of attendance. The Company shall not arbitrarily request additional identification from shareholders. Proxy solicitors must present identification for verification.

The Company shall prepare a sign-in sheet for attending shareholders to sign, or they may submit a sign-in card as a substitute. Meeting materials, including the meeting manual, annual report, attendance certificate, speaking slips, and ballots, should be provided to attending shareholders. If there is an election, ballots shall also be provided.

If a shareholder is a government or legal entity, it may appoint multiple representatives to attend. If a legal entity is appointed as a proxy, only one person may represent it.

For virtual meetings, shareholders planning to attend virtually should register at least two days in advance. The Company shall upload the meeting manual, annual report, and other documents to the virtual platform at least 30 minutes before the meeting and keep them accessible until the meeting ends.



## **Article 6-1 (Matters to Include in Notice for Virtual Meetings)**

If the shareholders' meeting is held virtually, the Company shall include the following details in the meeting notice:

1. Instructions for shareholders to participate and exercise their rights virtually.
2. Procedures for handling interruptions due to force majeure, such as natural disasters, which should at least cover the following:
  - Time for rescheduling or continuation if the interruption persists and meeting resumption details if applicable.
  - Unregistered shareholders may not participate in rescheduled or continued meetings.
  - In hybrid meetings, if the virtual portion is disrupted and a quorum is maintained without it, the meeting shall proceed. Virtual attendees will be counted in the quorum but will be deemed to abstain on all agenda items.
3. The availability of alternative arrangements for shareholders who face difficulty attending virtually.

## **Article 7 (Chairperson and Attendees at Shareholders' Meetings)**

If the shareholders' meeting is convened by the Board of Directors, the Chairperson of the Board shall preside. If the Chairperson is on leave or unable to exercise their duties, the Vice Chairperson shall preside. If there is no Vice Chairperson or if the Vice Chairperson is also unable to exercise their duties, a managing director shall be appointed to preside. If there is no managing director, a director shall be appointed as the proxy. If the Chairperson has not designated a proxy, one shall be elected among the managing directors or directors to preside.

If the presiding officer is a managing director or director, they must have served for at least six months and be familiar with the Company's financial and business operations. The same applies if the presiding officer is the representative of a corporate director.

If the Board convenes the shareholders' meeting, the Chairperson of the Board should preferably preside, and more than half of the directors, at least one supervisor, and members of functional committees should attend in person. The attendance of directors and supervisors shall be recorded in the meeting minutes.

If the shareholders' meeting is convened by a party with the right to convene other than the Board, the convener shall preside. If there are multiple conveners, they shall elect one person to preside.

The Company may designate attorneys, accountants, or other relevant personnel to attend the shareholders' meeting.

## **Article 8 (Recording of Shareholders' Meeting Process)**

The Company shall record, continuously and without interruption, the registration of shareholders, the meeting proceedings, and the voting and vote-counting processes.

These audio and video recordings shall be retained for at least one year. If a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recordings shall be kept until the conclusion of the lawsuit.

If the shareholders' meeting is held virtually, the Company shall record and retain the registration, check-in, questions, voting, and results of the vote counting, as well as continuously record the video and audio of the entire virtual meeting.

These materials shall be properly stored and made available to any agent managing the virtual meeting on the Company's behalf.

For virtual shareholders' meetings, the Company is advised to record the operations of the virtual meeting platform's backend interface.

## **Article 9 (Calculation of Attendance at Shareholders' Meetings)**

Attendance at shareholders' meetings shall be calculated based on shares held. The attendance tally shall be determined by sign-in sheets or sign-in cards, as well as the number of shares checked in through the virtual platform, combined with the shares represented by votes cast in writing or electronically.

Once the scheduled meeting time has arrived, the presiding officer shall announce the commencement of the meeting and disclose the number of non-voting shares and total shares in attendance.

If shareholders representing less than half of the total issued shares are not present, the presiding officer may postpone the meeting, but this postponement shall not exceed twice and the cumulative delay shall not exceed one hour. If the quorum is still not met after two postponements, and shareholders representing one-third or more of the total issued shares are present, a provisional resolution may be passed according to Article 175, Paragraph 1 of the Company Act. The provisional resolution must be notified to all shareholders, and a new meeting convened within one month.

If, during the ongoing meeting, shareholders representing more than half of the total issued shares arrive, the provisional resolution can be presented for final approval according to Article 174 of the Company Act.

## **Article 10**

If the shareholders' meeting is convened by the Board, the agenda shall be set by the Board. Each proposal, including ad hoc motions and amendments, shall be voted on individually. The meeting shall follow the scheduled agenda and shall not be changed without a resolution by the shareholders' meeting.

If the shareholders' meeting is convened by a party with convening rights other than the Board, the preceding rules shall apply.

The meeting agenda shall not be adjourned by the presiding officer without a resolution, even if the agenda (including ad hoc motions) has not been fully addressed. If the presiding officer violates these rules and declares the meeting adjourned, the other members of the Board shall promptly assist shareholders present to elect a new chairperson to continue the meeting according to statutory procedures.

The presiding officer shall ensure adequate time for discussion of each proposal and allow for ample explanation and discussion. When the proposal has been sufficiently discussed, the presiding officer may announce the end of the discussion and submit the proposal for voting, allowing adequate time for voting.

## **Article 11 (Shareholder Speech)**

Before addressing the meeting, attending shareholders must complete a speaker's slip stating the key points of their speech, shareholder account number (or attendance card number), and account name. The presiding officer shall determine the order of speeches.

If a shareholder submits a speaker's slip but does not speak, it will be considered that they have not spoken. If the content of the speech differs from what was stated on the slip, the spoken content shall prevail.

Each shareholder may speak twice on the same proposal, with each speech limited to five minutes unless otherwise permitted by the presiding officer. If a shareholder's speech violates the rules or exceeds the scope of the topic, the presiding officer may stop the speech.

During a shareholder's speech, other shareholders shall not interrupt without the consent of the presiding officer and the speaker. The presiding officer shall stop any interference.

When a corporate shareholder appoints multiple representatives, only one representative may speak on each proposal.

After a shareholder's speech, the presiding officer may respond in person or designate a relevant person to respond.

If the meeting is held virtually, shareholders participating virtually may submit questions in text form on the virtual meeting platform from the time the meeting is called to order until it is adjourned. Each shareholder may submit questions twice per proposal, with each question limited to 200 characters, which is an exception to the rules specified in Paragraphs 1 to 5.

Questions that comply with the rules and are relevant to the proposal should be disclosed on the virtual meeting platform for general awareness.

## **Article 12 (Calculation of Voting Shares and Recusal)**

Voting at shareholders' meetings shall be based on the number of shares held.

Decisions made at shareholders' meetings shall exclude shares held by shareholders without voting rights from the total number of issued shares.

If a shareholder has a personal interest in a matter being discussed at the meeting that may harm the Company's interests, they must abstain from voting and cannot represent another shareholder to exercise their voting rights.

Shares that cannot exercise voting rights as per the preceding paragraph shall not be included in the total number of voting rights of attending shareholders.

Except for trust businesses or proxy agencies approved by the securities regulatory authority, if one person is concurrently representing two or more shareholders, the total voting rights represented by that person shall not exceed 3% of the total voting rights of all issued shares. Any voting rights exceeding this limit shall not be counted.

## **Article 13**

Each share entitles the shareholder to one vote, except for shares that are restricted or have no voting rights as specified in Article 179, Paragraph 2 of the Company Act.

When the Company convenes a shareholders' meeting, voting shall be conducted electronically and may also be conducted in writing. The methods for exercising voting rights in writing or electronically shall be stated in the meeting notice. Shareholders who exercise voting rights in writing or electronically shall be deemed to have attended the meeting in person. However, ad hoc motions and amendments to the original proposals shall be deemed as abstentions. Therefore, the Company should avoid introducing ad hoc motions and amendments to original proposals.

Shareholders who exercise voting rights in writing or electronically must submit their expressions of intent to the Company in the same manner at least two days before the meeting. If multiple expressions of intent are submitted, the first one received shall prevail unless a prior expression is explicitly revoked.

If a shareholder has exercised voting rights in writing or electronically and wishes to attend the meeting in person or virtually, they must notify the Company to revoke their prior expression of intent at least two days before the meeting. Failure to revoke in time shall result in the proxy attending on their behalf.

If a shareholder exercises voting rights in writing or electronically and also appoints a proxy to attend the meeting, the voting rights exercised through the proxy shall prevail.

Voting on agenda items, unless otherwise provided by the Company Act or the Company's Articles of Incorporation, shall be approved by more than half of the voting rights of attending shareholders. During voting, the presiding officer or their designated personnel shall announce the total number of voting rights of attending shareholders and proceed to vote on each agenda item sequentially. The results of approval, opposition, and abstention shall be uploaded to the Market Observation Post System (MOPS) on the same day as the meeting.

If an agenda item has amendments or alternative proposals, the presiding officer shall determine the order of voting together with the original proposal. If one proposal is passed, the other proposal shall be considered rejected without further voting.

The observers and counters for voting shall be designated by the presiding officer, and observers must be shareholders.

Voting and counting of agenda items shall be conducted publicly within the meeting venue, and the voting results, including the total number of voting rights, shall be announced on the spot and recorded.

If the meeting is held virtually, shareholders participating virtually shall vote on agenda items through the virtual platform after the presiding officer announces the start of the meeting and before the announcement of the adjournment. Votes submitted after the voting deadline shall be considered abstentions.

If the meeting is held virtually, the Company shall conduct a single round of vote counting after the presiding officer announces the end of voting and announce the results immediately.

When the Company convenes a hybrid shareholders' meeting, shareholders who have registered for virtual participation but wish to attend in person must revoke their virtual registration at least two days before the meeting using the same method as their prior voting rights expression. If they fail to revoke in time, they may only attend virtually.

Shareholders who have exercised voting rights in writing or electronically and have not revoked their expression of intent to participate virtually may not exercise voting rights on the original proposals or submit amendments to the original proposals, except for ad hoc motions.

#### **Article 14 (Election Matters)**

When the shareholders' meeting is to elect directors or supervisors, it shall be conducted in accordance with the Company's 'Director Election Procedures' and the election results, including the list of elected directors and supervisors, the number of votes received by each elected director and supervisor, and the list of directors and supervisors who were not elected along with the number of votes they received, shall be announced on the spot.

Election ballots for these matters shall be sealed, signed by the scrutineers, and properly stored for at least one year. If a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be preserved until the conclusion of the lawsuit.

#### **Article 15**

Resolutions made at the shareholders' meeting shall be recorded in minutes, signed or sealed by the presiding officer, and distributed to each shareholder within 20 days after the meeting. The preparation and distribution of minutes may be done electronically.

The Company may publish the minutes by submitting them to the Market Observation Post System (MOPS).

The minutes shall accurately record the year, month, day, location, name of the presiding officer, method of resolution, summary of proceedings, and the voting results (including the total number of voting rights). If directors or supervisors are elected, the number of votes each candidate received must be disclosed. The minutes shall be permanently preserved during the Company's existence.

If the meeting is held virtually, the minutes shall, in addition to the aforementioned, include the start and end times of the meeting, the method of holding the meeting, the names of the presiding officer and the recorder, and the procedures and circumstances for handling any interruptions in the virtual platform or virtual participation due to force majeure.

When the Company convenes a virtual shareholders' meeting, in addition to complying with the preceding, the minutes shall state the alternative arrangements provided for shareholders who have difficulty participating virtually.

#### **Article 16 (Public Announcements)**

The number of shares solicited, the number of shares represented by proxies, and the number of shares represented by shareholders exercising their rights in writing or electronically shall be compiled into a statistical table according to the prescribed format and clearly disclosed within the meeting venue on the day of the shareholders' meeting. If the meeting is held virtually, the Company shall upload these data to the virtual meeting platform at least 30 minutes before the meeting starts and continue to disclose them until the meeting ends.

When the Company convenes a virtual shareholders' meeting and announces the start of the meeting, the total number of shares represented by attending shareholders shall be disclosed on the virtual meeting platform. If additional statistics on the total number of attending shares and voting rights are produced during the meeting, the same disclosure shall apply.

If a resolution at the shareholders' meeting contains information that is significant under the law or the rules of the Taiwan Stock Exchange or the OTC market, the Company shall transmit the content to the Market Observation Post System (MOPS) within the prescribed timeframe.

#### **Article 17 (Maintenance of Order at the Meeting Venue)**

Meeting staff managing the shareholders' meeting shall wear identification badges or armbands.

The presiding officer may direct inspectors or security personnel to assist in maintaining order in the meeting venue. Inspectors or security personnel assisting in maintaining order shall wear "Inspector" armbands or identification badges.

If the meeting venue is equipped with a sound system, the presiding officer may stop shareholders from speaking unless they use the Company's designated equipment.

Shareholders who violate the rules of procedure and do not comply with corrections by the presiding officer, thereby disrupting the meeting, may be removed from the meeting venue by inspectors or security personnel as directed by the presiding officer.

#### **Article 18 (Breaks and Resumption of Meetings)**

During the meeting, the presiding officer may announce breaks at appropriate times. In cases of force majeure, the presiding officer may decide to temporarily suspend the meeting and, depending on the situation, announce the resumption time.

If the scheduled agenda cannot be continued at the original location due to not being fully addressed (including ad hoc motions), the shareholders' meeting may resolve to find an alternative venue to continue the meeting.

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

### **Article 19 (Information Disclosure in Virtual Meetings)**

If the shareholders' meeting is held virtually, the Company shall disclose the results of each proposal vote and election results on the virtual meeting platform immediately after voting concludes and continue to disclose them for at least fifteen minutes after the presiding officer announces the adjournment.

### **Article 20 (Location of the Chairperson and Recorder in Virtual Meetings)**

When the Company holds a virtual shareholders' meeting, the presiding officer and the recorder shall be in the same location within Taiwan. The presiding officer shall announce the address of this location at the beginning of the meeting.

### **Article 21 (Handling Disconnection)**

If the shareholders' meeting is held virtually, the Company may provide a simple connection test before the meeting and offer related services both before and during the meeting to assist in handling technical communication issues in real-time.

If the shareholders' meeting is held virtually, and before the presiding officer announces the adjournment, due to force majeure such as natural disasters, and the virtual platform or virtual participation is disrupted for 30 minutes or more, the meeting shall be postponed or continued within five days as per the presiding officer's announcement, without applying the provisions of Article 182 of the Company Act.

Shareholders who have not registered for virtual participation in the original meeting may not participate in the postponed or continued meeting.

For a postponed or continued meeting as per the second paragraph, shareholders who had registered for virtual participation in the original meeting and completed check-in but did not attend the



postponed or continued meeting shall have their attendance, voting rights, and election rights in the original meeting counted towards the postponed or continued meeting.

When handling the postponement or continuation of the shareholders' meeting as per the second paragraph, the Company shall comply with the relevant procedures of the rules governing proxy handling as stipulated in Articles 12 of the Rules for Public Companies' Proxy Use, Article 3 of Paragraph 3 of Article 13, Article 2 of Article 44-5, Paragraph 15 of Article 44-10-7, and similar provisions.

For public companies, shareholders who have used proxy forms as per the later articles shall follow the postponed or continued meeting dates as per the second paragraph.

## **Article 22 (Handling the Digital Divide)**

When the Company convenes a virtual shareholders' meeting, appropriate alternative arrangements shall be provided for shareholders who have difficulty participating virtually.

## **Article 23**

These Rules shall take effect upon approval by the shareholders' meeting and shall apply likewise upon amendment.

## **VSO ELECTRONICS CO., LTD.**

### **Director Election Procedure**

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

#### **Article 1**

To ensure a fair, just, and transparent process for electing directors, this procedure is established according to Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

#### **Article 2**

The election of directors of the Company shall be conducted in accordance with this procedure, unless otherwise stipulated by law or the Articles of Incorporation.

#### **Article 3**

The nomination and selection of directors shall consider the overall composition of the board. Board composition should embrace diversity and should formulate appropriate diversification policies based on operational needs and development requirements. Key diversity criteria may include, but are not limited to, the following two areas:

1. **Basic Criteria and Values:** Gender, age, nationality, and culture.
2. **Professional Knowledge and Skills:** Background in fields such as law, accounting, industry, finance, marketing, or technology; professional skills; and industry experience.

Board members should generally possess the knowledge, skills, and character required to perform their duties effectively, including the following capabilities:

1. Operational judgment
2. Accounting and financial analysis
3. Business management
4. Crisis management
5. Industry knowledge
6. International market perspective
7. Leadership
8. Decision-making abilities

More than half of the board seats must not be held by individuals related by marriage or within the second degree of kinship. The composition of the board should be reviewed based on performance evaluations.

#### **Article 4**

The qualifications for independent directors must comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

The appointment of independent directors must adhere to Articles 5 through 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and be conducted per Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

#### **Article 5**

The election of directors shall proceed according to the candidate nomination system as stipulated in Article 192-1 of the Company Act.

In the event of a director's dismissal resulting in fewer than five directors, a by-election should be held at the next shareholders' meeting. If the vacancy reaches one-third of the seats specified in the Articles of Incorporation, an extraordinary shareholders' meeting should be convened within sixty days to hold a by-election.

If the number of independent directors falls below the requirement outlined in Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting. If all independent directors are dismissed, an extraordinary shareholders' meeting shall be convened within sixty days for a by-election.

#### **Article 6**

The Company shall conduct director elections using a single transferable voting system. Each share confers a number of votes equal to the number of directors to be elected, which may be cast for one candidate or distributed among multiple candidates.

#### **Article 7**

The board shall prepare ballots equal to the number of directors to be elected, noting the voting power per ballot. These ballots will be distributed to shareholders attending the shareholders' meeting. Voter identification may be represented by the printed attendance certificate number.

## **Article 8**

In accordance with the number of directors specified in the Company's Articles of Incorporation, election rights for independent and non-independent directors shall be calculated separately.

Candidates receiving the highest number of votes will be elected in descending order. In the event of a tie for the last seat, the tie shall be resolved by drawing lots. The chairperson will draw lots on behalf of any absent candidates.

## **Article 9**

Before the election, the chairperson shall appoint shareholders as vote supervisors and counters to oversee the process. Ballot boxes shall be prepared by the board and verified by the vote supervisors before voting begins.

## **Article 10**

Ballots will be deemed invalid if:

1. An unauthorized ballot is used.
2. A blank ballot is cast.
3. The handwriting is illegible or altered.
4. The selected candidate's name does not match the list of nominees.
5. Any additional text is added beyond the allocation of voting rights.

## **Article 11**

Votes shall be counted on-site immediately after voting concludes, and the results, including the list of elected directors and their respective vote counts, shall be announced by the chairperson.

The ballots must be signed and sealed by the vote supervisors and retained for at least one year.

However, if litigation is initiated by shareholders under Article 189 of the Company Act, ballots shall be kept until the end of the litigation.

## **Article 12**

The Company's board shall issue a notice of election to the newly elected directors.

## **Article 13**

This procedure shall take effect upon approval by the shareholders' meeting, with amendments also subject to shareholder approval.

### Shareholding Status of Directors

- I. As of the book closure date for this shareholders' meeting (March 14, 2025), the Company's paid-in capital amounted to NT\$417,165,360, with a total of 41,716,536 issued shares.
- II. In accordance with Article 2 of the "Regulations Governing the Percentage of Stock Ownership Held by Directors and Supervisors of Public Companies and the Verification of Their Stock Ownership," if a company elects at least two independent directors, the required shareholding percentage for all directors, excluding independent directors, is reduced to 80%.
- III. Minimum Statutory Shareholding Requirement and Shareholding Details Recorded in the Shareholders' Register as of the Book Closure Date :
  - i. Total Shareholding Requirement: 3,600,000 shares
  - ii. Total Shares Held as Recorded in the Shareholders' Register (as of March 14, 2025): 11,642,275 shares
- IV. Shareholding Details of All Directors :

Position	Name	Shares Held as of the Book Closure Date	
		shares	Shareholding Percentage
Chairman	Jerry Chien	2,010,804	4.82%
Director	Roger Tsai	476,043	1.14%
Director	Chung-Lin Chien	1,331,000	3.19%
Director	LINK UPON Advanced Material Corp.	1,952,628	4.68%
Director	Advantech Corporate Investment	4,694,800	11.25%
Director	I-Sheng Electronic WIRE & Cable Co., Ltd.	1,177,000	2.82%
Independent Director	Hui-Chin Chiu	-	-

Independent Director	Chung-Yuan Hsu	-	-
Independent Director	Ming-Wei Lai	-	-
Total		11,642,275	27.90%