

Stock Code : 4588



Arch Meter Corporation
2024 Annual Shareholders' Meeting
Meeting Agenda

Meeting method : Physical venue

Time of Meeting : 09:00 am, June 21, 2024

Location of Meeting : No. 256-15, Jingguan Blvd., Xiangshan Dist., Hsinchu
City 30079, Taiwan (R.O.C.)

Table of Contents

1. Meeting Procedure.....	1
2. Meeting Agenda.....	2
(1). Report Items.....	3
(2). Approval Items.....	3
(3). Discussion Items.....	4
(4). Extraordinary motions.....	4
3. Attachments	
(1). 2023 Business Report.....	5
(2). Audit Committee’s Review Report.....	10
(3). Comparison Table for the procedures for Ethical Corporate Management Best Practice Principles Before and After Revision.....	11
(4). Comparison Table for the procedures for Ethical Management and Guidelines for Conduct Before and After Revision.....	13
(5). Comparison Table for the procedures for Code of Ethical Conduct Before and After Revision.....	14
(6). Comparison Table for the procedures for Corporate Governance Best- Practice Before and After Revision.....	19
(7). Comparison Table for the procedures for Rules Governing the Conduct of the Board Meetings Before and After Revision.....	24
(8). 2023 Financial Statements.....	26
(9). 2023 Earnings Distribution Table.....	35
(10). Comparison Table for the procedures for Regulations Governing Making of Endorsements/ Guarantees Before and After Revision.....	36
(11). Comparison Table for the procedures for Regulations Governing Loaning of Funds Before and After Revision.....	39

Appendices

(1). Articles of Incorporation.....	42
(2). Rules and Procedures of Shareholders’ Meeting.....	49
(3). Shareholdings of All Directors.....	59

Arch Meter Corporation

2024 Annual Shareholders' Meeting Procedure

1. Commencement
2. Chairman's Address
3. Report Items
4. Approval Items
5. Discussion Items
6. Extraordinary motions
7. Adjournment

Arch Meter Corporation

2024 Annual Shareholders' Meeting Agenda

Time of Meeting : 09:00 am, June 21, 2024

Location of Meeting : No. 256-15, Jingguan Blvd., Xiangshan Dist., Hsinchu City 30079, Taiwan (R.O.C.)

1. Commencement
2. Chairman's Address
3. Report Items :
 - (1).2023 Business Report
 - (2).Audit Committee's Review Report
 - (3).Report on 2023 employees' and directors' remuneration
 - (4).Report on amendments to some provisions of "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", "Corporate Governance Best-Practice", "Rules Governing the Conduct of the Board Meetings"
4. Approval Items :
 - (1). 2023 Business Report and Financial Statements
 - (2). 2023 Earnings distribution
5. Discussion Items :
 - (1). Amend to some provisions of Regulations Governing Making of Endorsements/ Guarantees
 - (2). Amend to some provisions of Regulations Governing Loaning of Funds
6. Extraordinary motions :
7. Adjournment

Report Items

(1). 2023 Business Report

Explanatory Notes : Please refer to Attachment (1).

(2). Audit Committee's Review Report

Explanatory Notes : Please refer to Attachment (2).

(3). Report on 2023 employees' and directors' remuneration

Explanatory Notes : The company's pre-tax Net income in 2023 is NT\$195,909,959.

There was no loss to make up at the beginning of 2023. According to Article 21-1 of the Company's Articles of Incorporation, company plans to distribute 5% of employee cash remuneration in the amount of NT\$10,647,281 and 3% of directors' cash remuneration in the amount of NT\$6,388,366.

(4). Report on amendments to some provisions of "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", "Corporate Governance Best-Practice", "Rules Governing the Conduct of the Board Meetings".

Explanatory Notes : Please refer to the comparison table in Attachments (3) to (7).

Approval Items

(1). 2023 Business Report and Financial Statements

Explanatory Notes :

- 1) Arch Meter's 2023 Financial Statements have been approved at the 11th meeting of the Board of Directors, 8th term and were audited by independent auditors, Ms. Chiang, Tsai-Yen and Mr. Hsieh, Chih-Cheng of PricewaterhouseCoopers. 2023 Business Report and Financial Statements have been reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.
- 2) Please refer to Attachments (1) and (8).

Resolution:

(2). 2023 Earnings distribution

Explanatory Notes :

- 1) The company's Net income after tax in 2023 is NT\$156,763,399. After adding the Beginning undistributed earnings NT\$5,023,892, the balance is NT\$161,787,291. After setting aside the Legal reserve NT\$15,676,340 in accordance with the Articles of Incorporation, the Earnings available for distribution by the end of the fiscal year is NT\$146,110,951.
- 2) Please refer to the 2023 Earnings Distribution Table in Attachment (9).

- 3) The Board of Directors proposed to set aside NT\$128,571,000 for cash dividends (NT\$ 3.0 per share). The cash dividends distributed are rounded up to NT\$1 (any amount below NT\$1 will be discarded). The remaining fraction will be incorporated into other revenue.
- 4) In the event of any change in the number of outstanding shares, the dividend ratio must be adjusted. It is proposed to fully authorize the Chairman to adjust the dividend ratio and to proceed on the relevant matters.
- 5) Upon approval by Shareholders' Meeting, it is proposed to authorize the Chairman to set the Ex-Dividend Date and the Payment Date.

Resolution:

Discussion Items

- (1). Amend to some provisions of Regulations Governing Making of Endorsements/ Guarantees

Explanatory Notes :

- 1) In consideration of Arch Meter's operating needs and relevant legal regulations, company plan to amend to some provisions of Regulations Governing Making of Endorsements/ Guarantees.
- 2) Please refer to the comparison table in Attachment (10)

Resolution:

- (2). Amend to some provisions of Regulations Governing Loaning of Funds

Explanatory Notes :

- 1) In consideration of Arch Meter's operating needs and relevant legal regulations, company plan to amend to some provisions of Regulations Governing Loaning of Funds.
- 2) Please refer to the comparison table in Attachment (11)

Resolution:

Extraordinary motions

Adjournment

Arch Meter Corporation 2023 Business Report

I. 2023 Business results:

(I) Implementation results of 2023 business plan:

- (1) Complete the contract performance for the tender in 2022 with Taipower, including follow-up acceptance and delivery of 100,000 smart meters, totaling about NT\$249.58 million.
- (2) Execute the Taipower tender for 700,000 smart meters in 2023 and 2024 for a total price of NT\$1.74 billion, among them, 476,000 units are scheduled for implementation from the first quarter of 2024 to 2025."
- (3) In response to the increasing demand for smart meters due to Taipower's tenders and future business expansion, the Company completed the transfer of ownership of the new plant in Xiangshan, Hsinchu, with an estimated investment of NT\$860 million.
- (4) In terms of power monitoring instrument and power management system, revenue reached NT\$153 million.
- (5) In 2023, the total revenue was NT\$1.04 billion, marking a growth of 44.91% compared to 2022; the net profit after tax was NT\$156.76 million, with the after-tax earnings per share of NT\$4.03.
- (6) Completed internal control and financial systems approval and passed the stock listing review by the Taiwan Stock Exchange.

(II) Budget implementation status for 2023:

Unit: NT\$ thousands; %

Product field	Sales amount and growth rate		
	2022	2023	Growth rate
Smart grid (Smart meter)	515,147	883,881	71.58
Power measurement instrument and Energy management solution	200,465	153,078	-23.64
Total	715,612	1,036,959	44.91

(III) Financial receipts and expenditures and profitability analysis for 2023

Unit: NT\$ thousands

Item	2022	2023
Operating revenue	715,612	1,036,959
Cost of goods sold	491,680	725,880
Operating gross profit	223,932	311,079
Operating expenses	86,203	104,063
Non-operating revenue	979	4,167
Non-operating expenses	9,519	15,273
Income tax	25,966	39,147

Item	2022	2023
Net income after tax	103,233	156,763
EPS after tax (dollars)	2.73	4.03

Unit: NT\$ thousands; %; times

Year/item		2023
Basic Information	Total liabilities	1,243,444
	Total assets	1,874,971
Financial structure	Own asset ratio	33.68
	Debt ratio	66.32
Solvency	Current ratio	141.92
	Quick ratio	61.37
	Interest coverage ratio	15.62

(IV) Research and Development Overview:

- (1) To meet the needs of overseas business promotion, conducted ANSI Type Test Certification for smart meters. Testing was successfully completed and Certification is obtained.
- (2) Respond to the function expansion of Taipower's next-generation smart meter, completed the preliminary development of upgrading the meter's security level to IEC 62056 suite 1.
- (3) Develop the non-intrusive appliance load monitoring (NIALM) technology, aligning with the electricity industry's new trend of developing value-added user services in the future, and complete the development of NIALM sensor prototype and integration testing of cloud AI system home appliance operating status identification.
- (4) In line with the developing trends of electric vehicles, developed the power measuring and leakage protection modules for charging station, and achieved mass production.

II. The Company's important business directions for 2024 are as follows:

(I) Business guidelines:

- (1) Leverage the Company's core technologies of power measuring, communication, and system integration to operate within the smart grid and power monitoring and management markets. Current focus: Three main products, smart grids, power monitoring instruments, and power management systems.
- (2) As for the smart grid market, in addition to expanding the market share of Taipower's smart meters, we also form production and sales alliances with foreign partners to conduct customized development and certification in order to expand sales in overseas markets. Additionally, we invest in the development of front-end key monitoring and power analysis equipment to assist the electricity industry in promoting value-added user services and forming a business model.

- (3) As for power monitoring instruments, in response to the demands for new distribution automation, we develop high-end products to broaden our product lines and actively expand both domestic and overseas markets.
- (4) For the power management system, we continuously cooperate with major domestic system integrators in flexible production, sales, and system integration, and assist domestic industrial and commercial users to set up their own energy management systems.
- (5) To cooperate with the electric vehicle charging industry to develop modular products such as key power measuring and protection and complete the series of products for joint market expansion.
- (6) Continuously promote the construction of the new plant in Xiangshan, Hsinchu, while also augmenting R&D and sales manpower to obtain the capacity required for the Company's future development, such as expansion of our market shares for related products, international marketing, and exploration of derivative markets.

(II) Important production and sales policies:

- (1) Continuously optimize and improve the efficiency of Taipower's smart meter production lines, ensuring the stable delivery of the tender received from Taipower this year.
- (2) Conduct construction of production lines at the Hsinchu Xiangshan Plant. Four production lines are planned to be established, with the goal of increasing the phased monthly production capacity to 80,000 smart meters. Upon the completion of the new plant, the Company will have the capacity to meet the demand for expanding sales of smart meters to Taipower and exploring overseas markets.
- (3) In response to exploring sales in the global market, we have completed the mass production of high-end power monitoring instruments to expand our product lines.
- (4) In line with the promotion of value-added user services in the future electricity industry, we have developed a non-intrusive home appliance load monitoring (NIALM) electricity feature extraction device and conducted small-scale demonstration user verification tests,
- (5) To align with the promotion of electric vehicles, we have completed the power measuring and leakage protection modules for the charging stations, as well as the DC meters and other products, and introduced them to mass production.
- (6) Continuous implementation and optimization: relevant management systems of internal control, finance, information security, and sustainable development.

III. The Company's future development strategies are subject to the impacts of the external competitive environment, regulatory environment, and macroeconomy:

(I) The Company's future development strategies:

- (1) In terms of development strategy for the smart grid is mainly based on the domestic smart meter market to accumulate experience and achievements, expand the production capacity, and then collaborate with communication system integrators to expand the overseas market.
- (2) Our development strategy for power monitoring instruments primarily focuses on developing high-end products, expanding product lines continuously, and exploring international distribution channels to strengthen overseas marketing.
- (3) Our development strategy for the derivative market primarily focuses on value-added user services in the electrical industry and the electric vehicle charging system sector. We collaborate with relevant market leaders, providing them with key components or modules to jointly expand sales.
- (4) Our strategy for capacity supporting the Company's development is mainly to complete the construction of production lines in the new plant, and to supplement R&D and sales manpower, in order to obtain the production capacity and resources required for the Company's future business expansion.

(II) Impacts from the external competitive environment:

- (1) As the international trend of promoting smart grid and Advanced Metering Infrastructure (AMI) continues, Taipower has started the progress of setting smart meters, which had a positive effect on the expansion of the Company's operations. The Company has obtained the qualification for selective tendering procedures of Taipower's domestic smart meters. The competition environment for the domestic smart meter market will remain moderate in the short to medium term. The competition in foreign smart meters is relatively fierce. The Company is cooperating with communication system integrators to expand overseas markets in a systematic and flexible manner.
- (2) The global promotion of energy conservation, carbon reduction, and ESG will accelerate the establishment of energy management systems among electricity users, which will drive the demand for power monitoring instruments and power management systems, leading to a positive effect on the expansion of the Company's operations. The market featuring small quantity and diversity of relevant products and services prioritizes product reliability and system integration, on which brand and reputation have greater impacts. The Company has had achievement in installation and operation of related products for many years. Our domestic brand image is good, while we are less well-known in the overseas market. We will actively manage the international distribution channels to expand the market.

(III) Impacts from environmental regulations and macroeconomy:

- (1) The National Development Council of the Executive Yuan of Taiwan arranged the "Taiwan 2050 Net-Zero Transition" plan with a budget of NT\$900 billion to be invested in by 2030. Among them, the draft of the "Power System and Energy Storage

Key Strategies Action Plan" clearly stipulates that Taipower will fully install smart meters. The replacement for 6 million households will be completed by 2030, and a full replacement will be completed by 2035, according to Taipower's plan. Taipower has more than 14 million electricity meters for its current consumers, about 3 million of which are installed with smart meters. It is expected that Taipower's demand for smart electricity meters will gradually increase in the future, bringing positive effects on the Company's revenue growth.

- (2) Global trends such as energy conservation, carbon reduction, and carbon footprint control have taken shape. In 2015, Taiwan passed the "Greenhouse Gas Reduction and Management Act" to integrate carbon trading. In March 2022, the Financial Supervisory Commission issued the "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies" for phased implement of greenhouse gas inventory and information disclosure for all listed companies. It is expected that electricity users will accelerate the establishment of their own energy management systems in the future, and the demand for power monitoring instruments and power management will increase, both of which will benefit the promotion of the Company's related products.
- (3) The industry in which the Company operates, whether it is smart grid, power monitoring instrument, or power management system, is less affected by the poor macroeconomy. With the expansion of revenue and output, the Company will continue to strengthen production management and supply chain management to ensure the smooth implementation of our production plans.

The Company has long been committed to the technology R&D and business development in the fields of smart grid, power monitoring, power management, and related areas. Benefited from Taiwan's comprehensive promotion of the Automated Metering Infrastructure (AMI) and the global trend of energy conservation and carbon reduction, the Company has experienced significant revenue growth in recent periods. At a steady pace, the Company gradually accumulates energy to expand production capacity and market share, and is committed to the development of derivative industries. In the future, we will adhere to the business philosophy of "integrity, innovation, quality, and service" and respond to the trend of global grid intelligentization and energy management informatization by providing innovative and highly reliable products and services to become a partner of both global electricity industry in establishing stringent grids and electricity users in improving energy efficiency.

We extend our gratitude to our shareholders, colleagues, customers, suppliers, and partners for your long-term efforts and support. As we look forward to 2024, the Company will continue to strengthen our foundation, enhance our capacity, expand our business scope, and set our goal on sustainable development to achieve even greater business performance.

Chairman: Chen, Jan-Ku

President: Tseng, Wen-Liang

CFO: Wang, Yi-Ting

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of quarterly earnings. The CPA firm of PricewaterhouseCoopers was retained to audit Arch Meter's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

TO Arch Meter Corporation 2024 Annual Shareholders' Meeting

Arch Meter Corporation

Chairman of the Audit Committee: Hsu, Wan-Hsin

March 08, 2024

Comparison Table for the procedures for Ethical Corporate
Management Best Practice Principles

After the Revision	Before the Revision	Explanation
<p>Article 5 Legal compliance</p> <p>The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.</p>	<p>Article 5 Legal compliance</p> <p>A TWSE/TPEX listed company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.</p>	<p>The wording is amended.</p>
<p>Article 6 Policy</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Article 6 Policy</p> <p>Shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Certain wording is added to clearly define the execution entity.</p>
<p>Article 23 Training and appraisal</p> <p>The chairman, president, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis. The Company shall periodically organize training and awareness programs for directors, managerial officers, employees,</p>	<p>Article 23 Training and appraisal</p> <p>The chairman, president, or senior management of a TWSE/TPEX listed company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis. The Company shall periodically organize training and awareness programs for directors,</p>	<p>The wording is amended.</p>

After the Revision	Before the Revision	Explanation
<p>mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the policies, prevention programs, and the consequences of committing unethical conduct. The Company shall integrate the policies of ethical corporate management with its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>managerial officers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the policies, prevention programs, and the consequences of committing unethical conduct. The Company shall integrate the policies of ethical corporate management with its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	
<p>Article 30 Date of Establishment and Amendment These Principles were established on March 29, 2023. The 1st amendment was made on May 17, 2023, and the 2nd amendment was made on September 22, 2023.</p>	<p>Article 30 Date of Establishment and Amendment These Principles were established on March 29, 2023. The first amendment was made on May 17, 2023.</p>	<p>Amendment date is added.</p>

Comparison Table for the procedures for Ethical Management and
Guidelines for Conduct

After the Revision	Before the Revision	Explanation
<p>Article 9 Procedures for handling political donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company's personnel shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>Article 9 Procedures for handling political donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company's personnel shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>The wording is amended.</p>
<p>Article 25 Date of establishment, addition and amendment This Code of Conduct was established on March 29, 2023. The 1st amendment was made on September 22, 2023.</p>	<p>Article 25 Date of establishment, addition and amendment This Code of Conduct was established on March 29, 2023.</p>	<p>Amendment date is added.</p>

Comparison Table for the procedures for Code of Ethical Conduct

After the Revision	Before the Revision	Explanation
<p>Article 1 Purpose of and basis for adoption</p> <p>This Code of Conduct is adopted for the purpose of guiding the Company’s directors and managerial officers (including presidents or their equivalents, assistant vice presidents or their equivalents, financial officers, and accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company.</p>	<p>Article 1 Purpose of and basis for adoption</p> <p>This Code of Conduct is adopted for the purpose of guiding the Company’s directors, supervisors, and managerial officers (including presidents or their equivalents, assistant vice presidents or their equivalents, financial officers, and accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company.</p>	<p>The functions of the supervisors have been replaced by the audit committee; therefore, the wording related to the supervisors should be removed.</p>
<p>Article 2 Content of the code</p> <p>Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following eight matters:</p> <p>(I) Prevention of conflicts of interest:</p> <p>Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director or a managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper</p>	<p>Article 2 Content of the code</p> <p>Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following eight matters:</p> <p>(I) Prevention of conflicts of interest:</p> <p>Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, a supervisor, or a managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain</p>	<p>Same as above.</p>

After the Revision	Before the Revision	Explanation
<p>benefits for either themselves or their spouse or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors or managerial officers to voluntarily explain whether there is any potential conflict between them and the company.</p> <p>(II) Prevent opportunities for pursuing personal gain:</p> <p style="padding-left: 40px;">The company shall prevent its directors or managerial officers from engaging in any of the following activities:</p> <p style="padding-left: 80px;">(1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.</p> <p style="padding-left: 80px;">(2) Obtaining personal gain by using company property or information or taking advantage of their positions.</p> <p style="padding-left: 80px;">(3) Competing with the company.</p>	<p>improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, or managerial officers to voluntarily explain whether there is any potential conflict between them and the company.</p> <p>(II) Prevent opportunities for pursuing personal gain:</p> <p style="padding-left: 40px;">The company shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities:</p> <p style="padding-left: 80px;">(1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.</p> <p style="padding-left: 80px;">(2) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.</p> <p style="padding-left: 80px;">(3) Competing with the</p>	

After the Revision	Before the Revision	Explanation
<p>When the company has an opportunity for profit, it is the responsibility of the directors or managerial officers to maximize the proper and legal benefits that can be obtained by the company.</p> <p>(III) Confidentiality: The directors or managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.</p> <p>(IV) Fair trade: Directors or managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or</p>	<p>company.</p> <p>When the company has an opportunity for profit, it is the responsibility of the directors, supervisors, or managerial officers to maximize the proper and legal benefits that can be obtained by the company.</p> <p>(III) Confidentiality: The directors, supervisors, or managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.</p> <p>(IV) Fair trade: Directors, supervisors, or managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or</p>	

After the Revision	Before the Revision	Explanation
<p>through other unfair trading practices. (V) to (VIII) are omitted.</p>	<p>through other unfair trading practices. (V) to (VIII) are omitted.</p>	
<p>Article 3 Procedures for Exemption If the company intends to exempt directors or managerial officers from compliance with the Code, the resolution shall be adopted by the board of directors. Additionally, that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption shall be disclosed timely on the MOPS. These measures aim at enabling shareholders to evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, thereby safeguarding the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>Article 3 Procedures for Exemption The Code of Ethical Conduct adopted by the company must require that any exemption for directors, supervisors, or managerial officers from compliance with the Code shall be adopted by a resolution of the board of directors. Additionally, that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption shall be disclosed timely on the MOPS. These measures aim at enabling shareholders to evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, thereby safeguarding the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>The wording is amended as appropriate, and the wording for supervisor is removed.</p>
<p>Article 5 Enforcement This Code of Ethical Conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors and reported to the shareholders' meeting. This Code of Ethical Conduct</p>	<p>Article 5 Enforcement This Code of Ethical Conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors and reported to the shareholders' meeting. These Principles were</p>	<p>Amendment date is added.</p>

After the Revision	Before the Revision	Explanation
was established on March 29, 2023. The 1st amendment was made on September 22, 2023.	established on March 29, 2023.	

Comparison Table for the procedures for Corporate Governance
Best-Practice

After the Revision	Before the Revision	Explanation
<p>Article 2 When establishing the corporate governance system, in addition to complying with relevant laws, regulations, Articles of Incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, the Company follows the following principles:</p> <ol style="list-style-type: none"> 1. Protect the rights and interests of shareholders. 2. Strengthen the powers of the board of directors. Removed. 3. Respect the rights and interests of stakeholders. 4. Enhance information transparency. 	<p>Article 2 When establishing the corporate governance system, in addition to complying with relevant laws, regulations, Articles of Incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, the Company follows the following principles:</p> <ol style="list-style-type: none"> 1. Protect the rights and interests of shareholders. 2. Strengthen the powers of the board of directors. 3. Fulfill the function of supervisors. 4. Respect the rights and interests of stakeholders. 5. Enhance information transparency. 	<p>The functions of the supervisors have been replaced by the audit committee; therefore, the wording related to the supervisors should be removed.</p>
<p>Article 8 The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders' meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted and the total number of votes for the elected directors.</p> <p>The shareholders' meeting minutes shall be properly and</p>	<p>Article 8 The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders' meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors and supervisors, the meeting minutes shall record the method of voting adopted and the total number of votes for the elected directors and supervisors.</p> <p>The shareholders' meeting</p>	<p>The wording for supervisor is removed</p>

After the Revision	Before the Revision	Explanation
<p>perpetually kept by the company during its legal existence. Additionally, for the company with an established website, it is advisable to sufficiently disclose these minutes on its website.</p>	<p>minutes shall be properly and perpetually kept by the company during its legal existence. Additionally, for the company with an established website, it is advisable to sufficiently disclose these minutes on its website.</p>	
<p>Article 11 The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may determine profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders' meeting may appoint an inspector. The board of directors, audit committee, and managerial officers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction, or rejection. The following is omitted.</p>	<p>Article 11 The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may determine profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders' meeting may appoint an inspector. The board of directors, audit committee or supervisors, and managerial officers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction, or rejection. The following is omitted.</p>	<p>The wording for supervisor is removed.</p>
<p>Article 13 In order to protect the interests of the shareholders, it is advisable that the Company designate personnel</p>	<p>Article 13 In order to protect the interests of the shareholders, it is advisable that the Company designate personnel</p>	<p>The wording for supervisor is removed.</p>

After the Revision	Before the Revision	Explanation
<p>exclusively dedicated to handling shareholder proposals, inquiries, and disputes.</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders' meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors or managerial officers in performing their duties.</p> <p>The following is omitted.</p>	<p>exclusively dedicated to handling shareholder proposals, inquiries, and disputes.</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders' meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors, supervisors, or managerial officers in performing their duties.</p> <p>The following is omitted.</p>	
<p>Article 20 The abilities that the board of directors shall possess</p> <p>The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders' meetings.</p>	<p>Article 20 The abilities that the board of directors shall possess</p> <p>The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders' meetings.</p>	<p>It is amended with reference to the Articles of Incorporation. According to Article 12 of the Articles of Incorporation, the Company shall have 7 to 11 directors.</p>

After the Revision	Before the Revision	Explanation
<p>The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than seven, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs. The following is omitted.</p>	<p>The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs. The following is omitted.</p>	
<p>Article 24 The Company shall appoint independent directors in accordance with the provisions of the Articles of Incorporation The Company shall appoint independent directors in accordance with its Articles of Incorporation. They shall be not less than three in number and advisably not less than one-third of the total number of directors. It is advisable that an independent director serve for not more than three consecutive terms. The following is omitted.</p>	<p>Article 24 The Company shall appoint independent directors in accordance with the provisions of the Articles of Incorporation The Company shall appoint independent directors in accordance with its Articles of Incorporation. They shall be not less than two in number and advisably not less than one-third of the total number of directors. It is advisable that an independent director serve for not more than three consecutive terms. The following is omitted.</p>	<p>It is amended with reference to the Articles of Incorporation. According to Article 12-1 of the Articles of Incorporation, the number of independent directors among the Company's directors shall not be less than three.</p>
<p>Article 43 The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.</p>	<p>Article 43 The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or supervisors, so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.</p>	<p>The wording for supervisor is removed.</p>

After the Revision	Before the Revision	Explanation
<p>Article 51 These Principles, and any amendments to it, shall enter into force after it has been adopted by the board of directors and reported to the shareholders' meeting. These Principles were established on May 17, 2023.</p> <p>The 1st amendment was made on September 22, 2023.</p>	<p>Article 51 These Principles, and any amendments to it, shall enter into force after it has been adopted by the board of directors and reported to the shareholders' meeting. These Principles were established on May 17, 2023.</p>	<p>Amendment date is added.</p>

Comparison Table for the procedures for Rules Governing the
Conduct of the Board Meetings

After the Revision	Before the Revision	Explanation
<p>4.4.2 The chairperson shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting to a later time on the same day, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures in Item 4.1.2.</p>	<p>4.4.2 The chairperson shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures in Item 4.1.2.</p>	<p>Regulations of the competent authority: The postponement of the meeting shall be limited to the same day.</p>
<p>4.7.3 At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case Item 4.4.2 shall apply mutatis mutandis. During a board of directors meeting, if the chairperson is unable to chair the meeting for any reason or declare the meeting closed without adhering to the provision stipulated in Item 4.7.2, the provision of Item 4.1.5 shall apply to the election and appointment of an acting chairperson mutatis mutandis.</p>	<p>4.7.3 At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case Item 4.4.2 shall apply mutatis mutandis. (Added.)</p>	<p>The competent authority has added the following requirements.</p>

After the Revision	Before the Revision	Explanation
(Removed.)	4.12 Unless otherwise provided by other regulations, these Rules, and any amendments to it, shall enter into force after it has been adopted by the board of directors and reported to the shareholders' meeting.	Duplicate articles are removed.
5. Implementation and amendment: These Regulations, and any amendments to it, shall enter into force after it has been passed by the board of directors and reported to the shareholders' meeting.	5. Implementation and amendment: These Regulations, and any modifications to it, shall enter into force after it has been approved by the board of directors and publicly announced.	It is integrated with the contents of Item 4.12.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000646

To the Board of Directors and Stockholders of Arch Meter Corporation

Opinion

We have audited the accompanying balance sheets of Arch Meter Corporation (the "Company") as at December 31, 2023 and 2022, and the related 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 financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing 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 the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of our audit of the 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 Company's 2023 parent company only financial statements are stated as follows:

Valuation of inventories

Description

Please refer to Note 4(11) for accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(4) for details of inventory valuation.

The Company is engaged in manufacturing and sales of smart grid, power monitoring equipment and electrical energy management systems. Due to the rapid technological innovations and market competition, there is a higher risk of inventory losses due to slow-moving inventory and obsolescence. As the balances of inventories are significant to the financial statements and inventories are measured at the lower of cost and net realizable value. The net realizable value which was used in the obsolete or slow-moving inventories involves subjective judgment resulting in an estimation uncertainty, we consider the valuation of inventories as a key audit matter.

How our audit addressed the matter

Our procedures in relation to the valuation of inventories included: Assessed the reasonableness of accounting policies in relation to allowance for inventory valuation losses; tested inventory aging report including checked the quantity and amount of the ending stocks in the inventory ageing report to the detailed ledger of inventories by sample testing individual inventory mark number and examined the logics in calculating the inventory aging; and sampled and validated the net realizable value of slow-moving and obsolete inventories against respective historical information for diminution in inventory value in order to ensure the reasonableness of provision for inventory loss.

Timing of sales revenue recognition

Description

Refer to Note 4(24) for the accounting policies on recognition of sales revenue, and Note 6(18) for the details of operating revenue. Sales revenue is one of the major operating activities of the Company and is critical to the Company's operating results. In addition, the transaction terms of sales are diverse, and the timing of sales revenue recognition is in accordance with the contractual determinations as to whether control of goods has been transferred to the customer, and thus we consider the timing of sales revenue recognition as a key audit matter.

How our audit addressed the matter

Our procedures in relation to the revenue recognition included: Obtained an understanding of and assessed internal control procedure of sales revenue and tested the implementation of the control procedures; selected samples of contracts with customers, performance obligations and prices, and supporting documents for goods shipped to confirm that recognition timing and the associated amounts were recorded correctly; selected sales transaction in a certain period before and after the balance sheet date and assessed the trade terms and shipping documents to confirm whether the sale transaction was recorded in proper period.

Responsibilities of management for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Chiang, Tsai-Yen

Hsieh, Chih-Cheng

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 8, 2024

The accompanying 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 financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan 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.

ARCH METER CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 247,783	13	\$ 231,560	18
1136	Current financial assets at amortised cost	6(2)	8,700	1	-	-
1140	Current contract assets	6(18)	59,734	3	121,257	9
1150	Notes receivable, net	6(3)	6,459	-	5,218	-
1170	Accounts receivable, net	6(3)	47,100	3	115,546	9
1180	Accounts receivable due from related parties, net	6(3) and 7	22,691	1	27,302	2
130X	Current inventories	6(4)	491,824	26	532,655	40
1410	Prepayments		23,243	1	21,996	2
1470	Other current assets		23	-	73	-
11XX	Current assets		<u>907,557</u>	<u>48</u>	<u>1,055,607</u>	<u>80</u>
Non-current assets						
1600	Property, plant and equipment	6(5) and 8	763,372	41	34,317	3
1755	Right-of-use assets	6(6)	16,180	1	8,198	1
1780	Intangible assets	6(7)	4,802	-	3,912	-
1840	Deferred tax assets	6(25)	9,746	1	4,583	-
1915	Prepayments for business facilities	6(27)	44,541	2	67,426	5
1920	Guarantee deposits paid	6(8) and 8	128,773	7	137,950	11
15XX	Non-current assets		<u>967,414</u>	<u>52</u>	<u>256,386</u>	<u>20</u>
1XXX	Current tax assets		<u>\$ 1,874,971</u>	<u>100</u>	<u>\$ 1,311,993</u>	<u>100</u>

(Continued)

ARCH METER CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(9)	\$ 451,905	24	\$ 556,148	43
2130	Current contract liabilities	6(18)	697	-	640	-
2150	Notes payable		60	-	3	-
2170	Accounts payable		76,153	4	174,023	13
2200	Other payables	6(10)	71,507	4	38,093	3
2230	Current tax liabilities		30,226	2	20,310	2
2250	Current provisions	6(14)	324	-	-	-
2280	Current lease liabilities		7,398	-	4,403	-
2300	Other current liabilities		1,198	-	1,082	-
21XX	Current liabilities		<u>639,468</u>	<u>34</u>	<u>794,702</u>	<u>61</u>
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(11) and 8	592,000	32	-	-
2550	Non-current provisions	6(14)	2,208	-	-	-
2580	Non-current lease liabilities		9,117	-	4,126	-
2645	Guarantee deposits received	6(28)	651	-	-	-
25XX	Non-current liabilities		<u>603,976</u>	<u>32</u>	<u>4,126</u>	<u>-</u>
2XXX	Total liabilities		<u>1,243,444</u>	<u>66</u>	<u>798,828</u>	<u>61</u>
Equity						
Share capital						
3110	Ordinary share	6(15)	389,180	21	388,880	29
Capital surplus						
3200	Capital surplus	6(16)	75,677	4	75,460	6
Retained earnings						
3310	Legal reserve	6(17)	4,882	-	-	-
3350	Unappropriated retained earnings (accumulated deficit)		161,788	9	48,825	4
3XXX	Total equity		<u>631,527</u>	<u>34</u>	<u>513,165</u>	<u>39</u>
Significant Contingent Liabilities and Unrecognised Contract Commitments						
Significant Events after the reporting period						
3X2X	Total liabilities and equity		<u>\$ 1,874,971</u>	<u>100</u>	<u>\$ 1,311,993</u>	<u>100</u>

ARCH METER CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 1,036,959	100	\$ 715,612	100
5000	Operating costs	6(4)(23)(24) and 7	(725,880)	(70)	(491,680)	(69)
5900	Gross profit from operations		<u>311,079</u>	<u>30</u>	<u>223,932</u>	<u>31</u>
	Operating expenses	6(23)(24)				
6100	Selling and marketing expenses		(21,622)	(2)	(21,868)	(3)
6200	General and administrative		(48,804)	(5)	(33,596)	(5)
6300	Research and development expenses		(33,632)	(3)	(30,733)	(4)
6450	Expected credit losses	12(2)	(5)	-	(6)	-
6000	Total operating expenses		<u>(104,063)</u>	<u>(10)</u>	<u>(86,203)</u>	<u>(12)</u>
6900	Net operating income		<u>207,016</u>	<u>20</u>	<u>137,729</u>	<u>19</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	1,811	-	454	-
7010	Other income	6(20)	788	-	525	-
7020	Other gains and losses	6(21)	(307)	-	(2,627)	-
7050	Finance costs	6(22)	(13,398)	(1)	(6,892)	(1)
7000	Total non-operating income and expenses		<u>(11,106)</u>	<u>(1)</u>	<u>(8,540)</u>	<u>(1)</u>
7900	Profit before income tax		<u>195,910</u>	<u>19</u>	<u>129,189</u>	<u>18</u>
7950	Income tax expense	6(25)	(39,147)	(4)	(25,966)	(4)
8200	Profit for the year		<u>\$ 156,763</u>	<u>15</u>	<u>\$ 103,223</u>	<u>14</u>
8500	Total comprehensive income for the year		<u>\$ 156,763</u>	<u>15</u>	<u>\$ 103,223</u>	<u>14</u>
	Basic earnings per share					
9750	Basic earnings per share	6(26)	<u>\$ 4.03</u>		<u>\$ 2.73</u>	
	Diluted earnings per share					
9850	Diluted earnings per share	6(26)	<u>\$ 4.00</u>		<u>\$ 2.66</u>	

ARCH METER CORPORATION
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital		Capital reserves		Retained earnings		Total equity
		Ordinary share	Advance receipts for share capital	Capital surplus, additional paid-in capital	Capital surplus, employee share options	Legal reserve	Unappropriated retained earnings (accumulated deficit)	
2022								
Balance at January 1, 2022		\$ 361,200	\$ 4,160	\$ 74,385	\$ 852	\$ -	(\$ 54,398)	\$ 386,199
Profit for the year		-	-	-	-	-	103,223	103,223
Total comprehensive income for the year		-	-	-	-	-	103,223	103,223
Compensation costs of share-based payment	6(13)	-	-	-	223	-	-	223
Exercise of employee share options	6(15)	27,680	(4,160)	820	(820)	-	-	23,520
Balance at December 31, 2022		\$ 388,880	\$ -	\$ 75,205	\$ 255	\$ -	\$ 48,825	\$ 513,165
2023								
Balance at January 1, 2023		\$ 388,880	\$ -	\$ 75,205	\$ 255	\$ -	\$ 48,825	\$ 513,165
Profit for the year		-	-	-	-	-	156,763	156,763
Total comprehensive income		-	-	-	-	-	156,763	156,763
Appropriation and distribution of 2022 retained earnings 6(17)								
Legal reserve appropriated		-	-	-	-	4,882	(4,882)	-
Cash dividends paid		-	-	-	-	-	(38,918)	(38,918)
Compensation costs of share-based payment	6(13)	-	-	-	217	-	-	217
Exercise of employee share options	6(15)	300	-	11	(11)	-	-	300
Balance at December 31, 2023		\$ 389,180	\$ -	\$ 75,216	\$ 461	\$ 4,882	\$ 161,788	\$ 631,527

ARCH METER CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 195,910	\$ 129,189
Adjustments			
Adjustments to reconcile profit			
Depreciation expense	6(5)(6)(23)	18,554	17,908
Amortisation charge	6(7)(23)	2,740	2,336
Expected credit losses	12(2)	5	6
Interest expense	6(22)	13,398	6,892
Interest income	6(19)	(1,811)	(454)
Compensation costs of share-based payment	6(13)	217	223
Gain on lease modification	6(21)	-	(27)
Gains on disposals of property, plant and equipment	6(21)	(40)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		61,523	(119,128)
Notes receivable		(1,241)	1,404
Accounts receivable		68,441	(5,767)
Accounts receivable due from related parties		4,611	(457)
Inventories		40,831	(199,093)
Prepayments		(1,247)	(3,189)
Other current assets		50	42
Changes in operating liabilities			
Contract liabilities		57	(2,504)
Notes payable		57	(74)
Accounts payable		(97,870)	55,914
Accounts payable to related parties		-	(351)
Other payables		14,577	20,587
Provisions for warranty		2,532	-
Other current liabilities		116	231
Cash inflow (outflow) generated from operations		321,410	(96,312)
Interest received		1,811	454
Interest paid		(13,398)	(6,892)
Income taxes paid		(34,394)	(22,170)
Net cash flows from operating activities		<u>275,429</u>	<u>(124,920)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Acquisition) disposal of financial assets at amortised cost	6(2)	(8,700)	20,600
Acquisition of property, plant and equipment	6(5)(27)	(698,519)	(67,815)
Decrease (increase) in refundable deposits	6(8)	9,177	(89,945)
Proceeds from disposal of property, plant and equipment		40	-
Acquisition of intangible assets	6(7)	(3,630)	(4,718)
Net cash flows used in investing activities		<u>(701,632)</u>	<u>(141,878)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(28)	(104,243)	293,489
Increase (decrease) in refundable deposits		651	(109)
Redemption of lease liabilities	6(6)(28)	(7,364)	(8,698)
Proceeds from long-term debt	6(11)	592,000	-
Cash dividends paid	6(17)	(38,918)	-
Exercise of employee share options	6(15)	300	23,520
Net cash flows from financing activities		<u>442,426</u>	<u>308,202</u>
Net increase in cash and cash equivalents		16,223	41,404
Cash and cash equivalents at beginning of year	6(1)	231,560	190,156
Cash and cash equivalents at end of year	6(1)	<u>\$ 247,783</u>	<u>\$ 231,560</u>

2023 Earnings Distribution Table

Unit: NT \$

Item	Amount
Beginning undistributed earnings	5,023,892
Add: 2023 Net income after tax	156,763,399
Subtotal	161,787,291
Appropriated Items:	
Less: Set aside 10% legal reserve	(15,676,340)
Earnings available for distribution by the end of the fiscal year	146,110,951
Distribution Items:	
Cash Dividends to Shareholders (NT\$ 3.0 per share)	128,571,000
Undistributed earnings by the end of 2023	17,539,951

Comparison Table for the procedures for Regulations Governing
Making of Endorsements/ Guarantees

After the Revision	Before the Revision	Explanation
<p>5.1.2 Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p>	<p>5.1.2 Companies in which the Company holds, directly or indirectly, 90% of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p>	<p>The wording is amended.</p>
<p>5.1.7 The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (hereinafter referred to as FSC).</p>	<p>5.1.7 The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (hereinafter referred to as the Commission).</p>	<p>The abbreviation for the name of the competent authority is amended.</p>
<p>5.4.1 Where a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall instruct it to formulate its own Operational Procedures for Endorsements/Guarantees in compliance with these Regulations, and it shall comply with the Procedures when making endorsements/guarantees. The Procedures, and any amendments to it, shall be approved by the board of directors of that subsidiary and submitted to</p>	<p>5.4.1 Where a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall instruct it to formulate its own Operational Programs for Endorsements/Guarantees in compliance with these Regulations, and it shall comply with the Procedures when making endorsements/guarantees. The Programs, and any amendments to it, shall be approved by the board of</p>	<p>The wording is amended.</p>

After the Revision	Before the Revision	Explanation
shareholders' meeting (when there is more than one shareholder) of the subsidiary for approval.	directors of that subsidiary and submitted to shareholders' meeting (when there is more than one shareholder) of the subsidiary for approval.	
<p>(Removed.) (The order of the following Articles has been adjusted accordingly, although they are not listed separately.)</p>	<p>5.4.2 The Company's audit personnel shall audit the subsidiaries' compliance with the Regulations on a regular basis and prepare an audit report. After submitting the findings and recommendations in the audit report for approval, the audit personnel shall notify each subsidiary of the necessary improvements. Furthermore, regular follow-up reports shall be prepared on a regular basis to ensure that appropriate corrective actions are taken promptly</p>	<p>As explained in the Q&A series of the Regulations Governing Establishment of Internal Control Systems by Public Companies by the competent authority, the audit personnel of the parent company shall not concurrently serve as the audit personnel of subsidiaries.</p>
<p>5.4.4 The financial unit of the Company shall regularly evaluate whether the follow-up control measures and handling procedures for the endorsement/guarantee made by each subsidiary are appropriate.</p>	<p>5.4.5 The financial unit of the Company shall regularly evaluate whether the follow-up control measures and handling programs for the endorsement/guarantee made by each subsidiary are appropriate.</p>	<p>The item number and the wording are amended.</p>
<p>5.5 Procedures for custody and use of corporate chops:</p>	<p>5.5 Programs for custody and use of corporate chops:</p>	<p>The wording is amended.</p>
<p>5.6.1 If the Company intends to make endorsements/guarantees for others, the Procedures for Endorsement/Guarantee shall be formulated in accordance with these Regulations. Once passed by</p>	<p>5.6.1 If the Company intends to make endorsements/guarantees for others, the Procedures for Endorsement/Guarantee shall be formulated in accordance</p>	<p>The operating procedures are adjusted according to laws and</p>

After the Revision	Before the Revision	Explanation
<p>the audit committee, the Company shall submit them to the board of directors for passage and to the shareholders' meeting for consent. If there any director expresses dissent that is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to the shareholders' meeting for discussion. The same shall apply to any amendments to the Procedures.</p>	<p>with these Regulations. Once passed by the board of directors, the Company shall submit them to the audit committee and to the shareholders' meeting for consent. If there any director expresses dissent that is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to the audit committee and the shareholders' meeting for discussion. The same shall apply to any amendments to the Procedures.</p>	<p>regulations.</p>

Comparison Table for the procedures for Regulations Governing
Loaning of Funds

After the Revision	Before the Revision	Explanation
5.1 Borrower of loans of funds:	5.1 Object of loans of funds:	The wording is adjusted with reference to laws and regulations.
5.1.3 The term "financing amount" as used in the preceding paragraph (5.1.1.2) refers to the cumulative balance of the public company's short-term financing.	5.1.3 The term "financing amount" as used in the paragraph 1, subparagraph 2 (5.1.1.2) refers to the cumulative balance of the public company's short-term financing.	The regulation index is removed.
5.1.4 The restriction in 5.1.1.2 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.	5.1.4 The restriction in paragraph 1, subparagraph 2 (5.1.1.2) shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the durations of such loans in accordance with Article 9, subparagraphs 3 (5.3) and 4 (5.6 and 5.7).	The provisions of the cited regulations have been removed. Therefore, in accordance with Article 9 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies," the description is added and the wording is amended accordingly.
5.2.1 If the Company loans funds to another company or business for reasons of business dealings, evaluation standards shall be specified for determining whether the amount of a loan is commensurate to the total	5.2.1 If the Company loans funds to another company or business for reasons of business dealings, it shall be handled in accordance with the provisions of 5.3.2.	The provisions of the cited regulations have been removed. Therefore, in accordance

After the Revision	Before the Revision	Explanation
<p>amount of business dealings between the two entities.</p>		<p>with Article 9 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies," the description is added.</p>
<p>5.3 The aggregate amount of loans and the maximum amount permitted to a single borrower:</p>	<p>5.3 The aggregate amount of loans and the maximum amount permitted to a single object:</p>	<p>The wording is adjusted with reference to laws and regulations.</p>
<p>5.5.1 Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the company's "Operational Procedures for Loaning Funds to Others," which, along with the evaluation results of 5.9, shall be submitted to the board of directors for resolution.</p>	<p>5.5.1 Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the company's "Operational Procedures for Loaning Funds to Others," which, along with the evaluation results of Article 9, subparagraph 6 (5.9), shall be submitted to the board of directors for resolution. No other individual may be empowered to make such decision.</p>	<p>The regulation index is removed, and the wording is amended accordingly.</p>
<p>5.5.2 Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph (5.5.1), and the chairman may be authorized, for a specific borrowing</p>	<p>5.5.2 Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph (5.5.1), and the chairman may be</p>	<p>The wording is adjusted with reference to laws and regulations.</p>

After the Revision	Before the Revision	Explanation
<p>counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.</p>	<p>authorized, for a specific borrowing object, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.</p>	
<p>5.5.3 The "certain monetary limit" mentioned in the preceding paragraph (5.5.2) on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with the provisions of 5.1.4.</p>	<p>5.5.3 The "certain monetary limit" mentioned in the preceding paragraph (5.5.2) on authorization for loans extended by the public company or any of the subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 3, paragraph 4 (5.1.4).</p>	<p>The regulation index is removed, and the wording is amended accordingly.</p>

Arch Meter Corporation
Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the provisions relating to companies limited by shares of the Company Act. The Company is named 玖鼎電力資訊股份有限公司 in Chinese and Arch Meter Corporation in English.

Article 2: The Company's business scope is as follows:

1. CC01010 Power Generation, Transmission and Distribution Machinery Manufacturing.
2. CC01080 Electronic Components Manufacturing.
3. CE01010 General Instrument Manufacturing.
4. CE01021 Weights and Measuring Instruments Manufacturing.
5. E601010 Electric Appliance Contractor (limited to operations at the customer's premises).
6. E603050 Automatic Control Equipment Engineering (limited to operations at the customer's premises).
7. F401010 International Trade.
8. F401181 Measuring Instruments Import.
9. I501010 Product Designing.
10. IG03010 Energy Technology Services.
11. JA02051 Weights and Measuring Instruments Repair

Research, design, development, manufacturing, and sales of the following products: Electronic energy meters and related products

Article 3: The Company establishes its head office in the Hsinchu Science Park. Where necessary, the Company may establish branches domestically or overseas in accordance with the resolution passed by the Board of Directors.

Article 3-1: The Company shall make public announcements in accordance with Article 28 of the Company Act and may make announcements in the manner prescribed by the competent authority.

Chapter 2 Shares

Article 4: The Company's total capital amount is NT\$ 500,000,000, contained in 50,000,000 shares at a face value per share of NT\$ 10, which will be issued in

separate installments. Among them, 3,000,000 shares are reserved for the exercise of stock warrants, preferred shares with warrants, or corporate bonds with warrants.

Article 4-1: The Company may only file for the issuance of employee stock warrants at a price lower than the market price in installments within one year following a resolution adopted at a shareholders' meeting with the attendance of more than half of the shareholders representing the total number of issued shares and the consent of two-thirds of the voting rights of the attending shareholders.

Article 5: The total amount of the Company's reinvestment is not restricted by Article 13 of the Company Act, which stipulates that reinvestment shall not exceed 40% of the paid-in capital.

Article 6: The Company's shares shall be registered, affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. The Company may be exempted from printing any share certificate. Instead, the Company shall register them with a centralized securities depository agency.

The Company's stock affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 7: The entries in the Company's shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus, or other benefits.

All transfer of stocks, succession, gift, loss, or damages of stocks shall be handled in accordance with the Company Act and relevant regulations. Setting up, abolishing or updating the specimen seal impression card shall be handled in accordance with the regulations of the competent authority.

Chapter 3 Shareholders' Meeting

Article 8: The Company's shareholders' meetings are divided into the following two kinds:

1. General shareholders' meeting is held within six months after the end of each fiscal year by the Board of Directors in accordance with the laws, unless otherwise approved by the competent authority for good cause shown.
2. Special shareholders' meeting is held when necessary.
3. The shareholders' meeting of the Company may be convened by way of video conference or other manners announced by the competent authority.

Article 9: Shareholders' meetings shall be chaired by the Chairman. In the Chairman's

absence or unavailability due to any reason, the Chairman shall appoint a person to act in his place. In the event that the Chairman does not appoint a deputy, one director shall be elected from among themselves to act in his place. If the meeting is convened by a person with the authority to convene other than the board of directors, such person shall act as the chairperson at that meeting; if there is more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them.

Shareholders' meetings shall be convened in accordance with Article 172 of the Company Act, and a notice of the date, place, and reasons to convene a shareholders' meeting shall be given to each shareholder and announced publicly.

The notice of the shareholders' meeting may be effected by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice, as described in the preceding three paragraphs, to be given to shareholders who own less than 1,000 shares of registered stocks, may be provided in the form of a public announcement.

Article 10: When a shareholder could not attend the shareholders' meeting, the shareholder could appoint a proxy to attend on behalf of the shareholder at a shareholders' meeting by providing the proxy form issued by the Company stating the scope of authorization.

In addition to Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act, shareholders' attendance by proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 11: Unless otherwise provided by the Company Act, resolutions at a shareholders' meeting shall be made by a majority vote of the shareholders present, who represent more than half of the total number of voting shares. In case that the Company's shares are listed on the emerging stock market, TWSE, or TPEx, the Company shall include electronic form as one of the channels for exercising voting rights. The method of exercising these rights shall be conducted in accordance with the relevant laws and regulations.

Article 11-1: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders within 20 days after the conclusion of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.

The distribution of the minutes of shareholders' meeting as required in preceding paragraph may be effected by means of a public announcement.

Article 12: The Company shall have 7 to 11 directors, with the term of office of 3 years. Directors shall be elected by the shareholders' meeting from among the persons with disposing capacity and shall be eligible for re-election.

In the process of electing directors at a shareholders' meeting, the number of

votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed elected.

The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 12-1: Among the Company's board of directors, there shall be at least 3 independent directors, accounting for at least one **third** of the board of directors. Independent directors shall be elected by adopting the candidates nomination system and from the candidate list by shareholders in accordance with Article 192-1 of the Company Act. Matters regarding the professional qualification, shareholdings, restrictions of concurrent positions held, nomination, election method and other compliances of the independent directors shall be conducted in accordance with relevant provisions stipulated by the securities competent authority.

Article 12-2: During the period when the Company was listed on the TWSE/TPEX, the directors shall be elected by adopting the candidates nomination system.

The Company may establish various functional committees in accordance with the relevant provisions of the Securities and Exchange Act, and the qualification of members, exercise of powers, and relevant matters shall be handled in accordance with the relevant laws and regulations, and shall be determined by the board of directors.

The Company may establish an audit committee consisting of the whole independent directors in accordance with Article 14-4 of the Securities and Exchange Act. The committee members shall be no less than 3 persons, one of whom shall serve as the convener and at least one of whom shall be specialized in accounting or finance. The audit committee and its members are responsible for carrying out the functions and powers of supervisors in accordance with the relevant laws and regulations.

Article 12-3: After the Company's public offering, the total shareholdings ratio of all directors shall be governed by the relevant regulations of the securities competent authority.

Chapter 4 Directors and Managers

Article 13: Removed.

Article 14: The board of directors shall elect a chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman represents the Company externally.

Article 15: Board meetings shall, unless otherwise provided for in the Company Act, be convened by the Chairman. A notice specifying the reason for convening a board

meeting shall be given to all directors 7 days before the scheduled meeting day. In case of emergency, a board meeting may be convened at any time.

The notification to the directors for convening a board meeting may be issued by written correspondences, e-mails, or facsimile. Unless otherwise provided by the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

The minutes of a board of directors meeting shall bear the signature or seal of the meeting chairperson and shall be distributed to each director within 20 days after the close of the meeting.

Article 16: Board meetings shall be chaired by the Chairman. In the Chairman's absence or unavailability due to any reason, the Chairman shall appoint one of the directors to act in his place. In the event that the Chairman does not make such designation, one director shall be elected from among themselves to act in his place. Directors shall attend the meeting of the board of directors in person. If a director is unable to attend a board meeting in person, they may appoint a proxy to attend the meeting on his/her/its behalf for each instance by executing a power of attorney stating therein the scope of power authorized to the proxy. A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only.

A board meeting may be held via video conference. Any director attending the meeting via video conference shall be deemed attending the meeting in person.

Article 17: Removed.

Article 18: The Company's directors may receive remuneration for performing their duties in the Company. The board of directors is authorized to prescribe the remuneration, in consideration of the level of their engagement in the Company's operations and contribution value, referring to the payment standard generally adopted by the peers in the same industry. The Company may stipulate remuneration to independent directors that are reasonable but different from that of other directors.

Article 19: The Company may appoint one Chief Executive Officer, one President, and several Vice Presidents, in which the appointment, termination and remuneration shall comply with the Company Act.

Article 20: The Company's fiscal year is from January 1 to December 31 of the same year. The Company shall, at the end of each fiscal year, conduct the final accounting.

Chapter 5 Accounting

Article 21: In accordance with Article 228 of the Company Act, at the end of each fiscal year, the board of directors shall prepare the following reports and submit them to the audit committee for review 30 days before the general shareholders' meeting. The audit committee shall issue a report and submit it to the general

shareholders' meeting for ratification.

1. Business Report.

2. Financial Statements.

3. Proposal for earnings distribution or loss off-setting.

Article 21-1: For a profitable fiscal year, the Company shall appropriate at least 5% of the profit as employee remuneration and not more than 3% as director remuneration. However, in the event of accumulated losses, the Company shall first reserve a sufficient amount to offset the losses.

Article 22: If there is a profit upon the final accounting of each fiscal year, the Company shall first set aside profit-seeking enterprise income tax to be paid and offset its losses accumulated in the past. If there is any surplus, the Company shall set aside the legal reserve at 10% of the remaining earnings, unless the legal reserve reaches the Company's paid-in capital. The residual balance, if any, shall be added to the beginning undistributed earnings. The board of directors shall prepare the proposal for distribution of earnings and submit to the shareholders' meeting for resolution before distribution.

Article 22-1: The Company's dividend policy takes into account the Company's overall business environment and capital needs in the future, and dividends shall be distributed in accordance with the principles of stability and balance. The type of dividend is determined based on the Company's earnings, financial structure, and future capital budget. The dividends and bonuses for shareholders shall not be less than 10% of the distributable earnings for each fiscal year. The distribution of dividends and bonuses for shareholders may be paid either in cash or in stocks, with no less than 50% distributed in cash. The Company's shareholders' meeting may determine the timeliest and most appropriate distribution method of dividends, prioritizing the interests and development of the Company as the highest principle.

Article 23: This provision is removed as it has been integrated into Article 7.

Article 24: The Company's organizational charter and administrative regulations are established separately.

Chapter 6 Supplementary Provisions

Article 25: Matters not provided for in the Articles of Incorporation shall be governed by the provisions of the Company Act.

Article 26: The Articles of Incorporation were adopted with the consent of all the promoters on June 2, 2005.

The 1st amendment was on June 27, 2005.

The 2nd amendment was on August 31, 2005.

The 3rd amendment was made on November 20, 2005.
The 4th amendment was made on November 20, 2006.
The 5th amendment was made on January 22, 2008.
The 6th amendment was made on June 23, 2008.
The 7th amendment was made on April 13, 2010.
The 8th amendment was made on August 23, 2018.
The 9th amendment was made on January 11, 2019.
The 10th amendment was made on June 27, 2019.
The 11th amendment was made on June 30, 2020.
The 12th amendment was made on July 29, 2021.
The 13th amendment was made on June 17, 2022.
The 14th amendment was made on September 22, 2022.
The 15th amendment was made on June 29, 2023.

Arch Meter Corporation
Chairman: Chen, Jan-Ku

Arch Meter Corporation
Rules and Procedures of Shareholders' Meeting

Article 1:

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

Article 2:

The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by laws, regulations, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3:

1. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors. Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in the Articles of Incorporation and obtain a resolution of its board of directors. The convening of shareholders' meetings with video conferencing shall obtain approval by a majority vote of the directors in attendance at a Board of Directors meeting attended by two-thirds or more of the directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.
The Company shall make the meeting handbook and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:
 - (1) For physical shareholders' meetings, to be distributed on-site at the meeting.
 - (2) For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 - (3) For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.
2. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
3. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new

shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

4. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.
5. Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
6. A proposal submitted by shareholders must not exceed 300 Chinese characters. Any proposal containing more than 300 Chinese characters will not be included in the agenda. A shareholder who has submitted a proposal must attend the regular shareholders' meeting in person or by proxy and participate in the discussion of his or her proposal.
7. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. The Board shall provide reasons for not including a shareholder's proposal in the agenda at the shareholders' meeting.

Article 4:

1. For each shareholders meeting, a shareholder may appoint a proxy to attend on behalf of the shareholder at a shareholders' meeting by providing the proxy form issued by the Company stating the scope of authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company 2 days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.
4. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5:

1. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
2. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 6:

1. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.
3. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
7. In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.
8. In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1:

1. To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:
 - (1) How shareholders attend the virtual meeting and exercise their rights.
 - (2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, at least covering the following particulars:
 - A. The time when the preceding obstacles cannot be ruled out and it is necessary to postpone or continue the meeting, and if it is necessary to postpone or continue the meeting.
 - B. Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting

online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

- D. Actions to be taken if the outcomes of all proposals have been announced and extraordinary motion has not been carried out.
2. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Unless otherwise provided in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide shareholders connection device and necessary assistance for the shareholders' meeting with video conferencing and shall specify the application period and other matters for shareholders.

Article 7:

1. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the Chairman. In the Chairman's absence or unavailability due to any reason, the Chairman shall appoint one of the directors to act in his place. In the event that the Chairman does not make such designation, one director shall be elected from among themselves to act in his place.
2. When a director serves as an acting chair, as referred to in the preceding paragraph, the director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as an acting chair.
3. It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
4. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
5. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8:

1. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, these documents shall be retained until the conclusion of the litigation.
3. Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
4. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
5. In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9:

1. Attendance at a shareholders' meeting shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time and disclose relevant information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10:

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11:

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

3. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
7. Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 Chinese characters. The regulations in paragraphs 1 to 5 do not apply.
8. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12:

1. Voting at a shareholders' meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
3. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
4. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13:

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
2. When the Company holds a shareholder' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke

- a prior expression of intent.
4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.
 5. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
 6. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
 7. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
 8. When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
 9. In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
 10. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration 2 days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.
 11. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14:

1. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.
2. The ballots for the election referred to in the preceding paragraph shall be sealed with the

signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, these documents shall be retained until the conclusion of the litigation.

Article 15:

1. Matters relating to the resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be signed or sealed by the chair of the meeting and shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.
2. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.
4. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
5. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

Article 16:

1. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
2. During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
3. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17:

1. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
2. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

3. At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
4. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18:

1. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19:

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

Article 20:

When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21:

1. In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.
2. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.
3. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.
4. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
5. During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
6. When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot

continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

7. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
8. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
9. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22:

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Unless otherwise provided in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide shareholders connection device and necessary assistance for the shareholders' meeting with video conferencing and shall specify the application period and other matters for shareholders.

Article 23:

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

Shareholdings of All Directors

1. As of April 23, 2024, the book closure starting date, total shares issued are 42,857,000.
2. In accordance with Article 26 of Securities and Exchange Act, the minimum number of shares held by all directors shall be 3,600,000.
3. As the book closure starting date, the shareholdings of all directors recorded in the shareholder register is as follows :

Title	Name	Current shareholdings	
		Shares	Percentage (%)
Chairman	Chen, Jan-Ku	1,226,000	2.86
Director	Tseng, Wen-Liang	760,000	1.77
Director	Shihlin Electric & Engineering Corp. Representative : Chang, Chin-Wen	5,636,050	13.15
Director	Alex Chang	-	-
Director	Yung, Teh-Yuh	400,000	0.93
Director	Tseng, Chun Hung	867,000	2.02
Independent Director	Chen, Shih-Chien	-	-
Independent Director	Shih, Jung Shun	-	-
Independent Director	Hsu, Wan-Hsin	-	-
Independent Director	Hsiao, Chin-Yi	-	-
Shareholdings of all directors		8,889,050	20.73