

Stock Code: 2483



EXCEL CELL ELECTRONIC CO., LTD.

The 2024 General Shareholder's Meeting

Meeting Handbook

Time and Date: 9:00 a.m. on May 31, 2024 (Friday)

Venue: No. 20, Gongyequ 25th Rd., Nantun District, Taichung City

Table of Contents

I. Meeting Procedure	01
II. Meeting Agenda	02
1. Reports	03
2. Matters of Ratification	05
3. Matters for Discussion	05
4. Extemporaneous Motions	05
III. Attachments	
1. The 2023 Business Report	06-09
2. Audit Committee's Review Report	10
3. Financial Statements	11-32
4. 2022/23 Earnings Distribution Statement	33
5. Amendment 13908 to the Regulations for Endorsements and Guarantees.	34
IV. Appendices	
1. The Company's Rules of Procedure for Shareholders' Meetings	35-38
2. The Articles of Incorporation	39-44
3. Shareholdings of Directors	45
4. Details of the Shareholder Written Proposals Not Included in the General Shareholders' Meeting Agenda	46

EXCEL CELL ELECTRONIC CO., LTD.

Meeting Procedure for the 2024 Annual General Shareholders Meeting

- I. Call the Meeting to Order
- II. Chair's Remarks
- III. Reports
- IV. Matters of Ratification
- V. Matters for Discussion
- VI. Extemporaneous Motions
- VII. Adjournment

EXCEL CELL ELECTRONIC CO., LTD.

The 2024 General Shareholder's Meeting Agenda

Time and Date: 9:00 a.m. on May 31, 2024 (Friday)

Venue: Excel Cell Electronic Co., Ltd. at No. 20, Gongyequ 25th Rd., Nantun District, Taichung City

I. Call the Meeting to Order

II. Chair's Remarks

III. Reports:

- (1) 2023 Employees' and Directors' Remuneration Distribution Statement.
- (2) 2023 Business Report.
- (3) Audit Committee's Review Report.
- (4) Distribution of cash dividends from the 2023 earnings.
- (5) Report on Directors' Remuneration.

IV. Ratification Matters:

- (1) Ratification of the 2023 Business Report, Financial Statements, and Consolidated Financial Statements.
- (2) Ratification of the 2023 Statement of Earnings Distribution.

V. Matters for Discussion:

- (1) "Amendment 13908 to the Regulations for Endorsements and Guarantees."

VI. Extemporaneous Motions:

VII. Adjournment

Reports:

Motion 1: 2023 Employees' and Directors' Remuneration Distribution Statement.

- Details: 1. As per the Company's Articles of Incorporation, no lower than 1% of the profit made for a fiscal year (the profit refers to the profit before tax and before employee remuneration and directors' remuneration is deducted) shall be allocated as employee remuneration and no higher than 2% for directors' remuneration. However, profits must first be reserved to offset against a cumulative deficit (including adjusted undistributed earnings), if applicable.
2. The Company's 2023 pre-tax profit before employee remuneration and directors' remuneration are deducted amounted to NT\$ 11,635,037; 4% of the balance was allocated for employee remuneration of NT\$ 465,401; 2% for directors' remuneration, amounting to NT\$ 232,701.

Motion 2: 2023 Business Report.

Details: Please refer to pages 6-8 of this handbook (Attachment 1).

Motion 3: Audit Committee's Review Report.

Details: Please refer to page 9 of this handbook (Attachment 2).

Motion 4: Distribution of cash dividends from the 2023 earnings.

Details: It was proposed to distribute NT\$0.3 per share for the 2023 earnings distribution in the total amount of NT\$32,728,143. After being approved by the board of directors on March 6, 2024, the ex-dividend record date was April 6, 2024, and the dividends were paid out on May 2, 2024.

Motion 5: Report on Directors' Remuneration.

- Details: 1. As per Article 29-1 of the Articles of Incorporation, the Company shall allocate 2% of the profit for directors' remuneration, and both directors and independent directors are entitled to receive directors' remuneration. The Company regularly evaluates the remuneration to directors in accordance with the Rules for Performance Evaluation of Board of Directors. The performance evaluation and the reasonableness of the remuneration to be paid are reviewed by the Remuneration Committee and the Board of Directors.
2. As per Article 29 of the Articles of Incorporation, in 2023, the Company made a profit for the fiscal year and allocated not higher than 2% of the balance for directors' remuneration, amounting to NT\$ 233 thousand, and honoraria for attendance at board meetings, amounting NT\$ 135 thousand, totaling NT\$ 368 thousand, as resolved by the Board of Directors.
3. Details of remuneration received by directors is as follow:

NT\$ thousand Dec.31, 2023

Title	Name	Remuneration to directors								Sum (A+B+C+D)	
		Base compensation (A)		Severance pays (B)		Directors' remuneration (C)		Business execution expenses (D)			
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
Chairman	Liao Pen-Lin	0	0	0	0	26	26	15	15	41	41
Director	Hsiao Teng-Tang	0	0	0	0	26	26	15	15	41	41
Director	Liao Pen-Tien	0	0	0	0	26	26	15	15	41	41
Director	Hsu Min-Cheng	0	0	0	0	26	26	15	15	41	41
Director	Liao Yueh-Shiang	0	0	0	0	26	26	15	15	41	41
Independent director	Hsu Ching-Tao	0	0	0	0	26	26	15	15	41	41
Independent director	Chen Hsiang-Ning	0	0	0	0	26	26	15	15	41	41
Independent director	Terry Chiang	0	0	0	0	26	26	15	15	41	41
Independent director	Chiu, Chuan-Tzu	0	0	0	0	25	25	15	15	40	40
Total		0	0	0	0	233	233	135	135	368	368

Matters of Ratification:

Motion 1: Ratification of the 2023 Business Report, Financial Statements, and Consolidated Financial Statements. (Proposed by the Board of Directors)

Details: 1. The following documents were prepared in accordance with Article 228 of the Company Act:

- (1) Please refer to pages 6-8 of this handbook (Attachment 1) for the 2023 Business Report.
- (2) Please refer to pages 10-30 of this handbook (Attachment 3) for the 2023 Parent Company-only Financial Statements and Consolidated Financial Statements.

2. Submitted for ratification.

Motion 2: Ratification of the 2023 Statement of Earnings Distribution. (Proposed by the Board of Directors)

Details: 1. It is proposed to allocate NT\$0.3 per share for the 2023 earnings distribution in the amount of NT\$ 32,728,143 Please refer to page 31 of this handbook (Attachment 4).

2. Submitted for ratification.

Matters for Discussion

Motion 1: “Amendment 13908 to the Operational Procedures for Endorsements and Guarantees.”

Details: Comparison table before and after the revision of Amendment 13908 to the Operational Procedures for Endorsements and Guarantees. Please refer to page 32 of this handbook. (Attachment 5)

Extemporaneous Motions

Adjournment

Excel Cell Electronic Co., Ltd. The 2023 Business Report

Operating performance

I. Business Plan Implementation Results:

In 2023, due to the unfavorable global economic situation, sales momentum in both the consumer electronics market and the industrial control market significantly declined. Additionally, with the global slowdown in automotive sales and undergoing inventory adjustments in the semiconductor industry, the overall performance of the manufacturing industry in Taiwan showed a general trend of recession. Our company's consolidated operating income for 2023 was NT\$ 1,796,452 thousand, a decrease of NT\$ 429,143 thousand compared to 2022. The consolidated gross profit margin was 14%, a decrease of 5% from the same period last year. Consolidated gross profit decreased by NT\$ 167,526 thousand, while consolidated operating expenses decreased by NT\$ 22,223 thousand. The consolidated operating net loss for 2023 was NT\$ 31,521 thousand, a decrease of NT\$ 145,303 thousand compared to 2022.

Non-operating income was NT\$ 56,893 thousand, which included foreign currency exchange benefit NT\$ 12,973 thousand; the share of recognized benefits of in associates for using equity method was NT\$ 16,408 thousand; dividend revenue was NT\$ 11,682 thousand; other revenue was NT\$ 17,138 thousand; disposal of investment property benefit was NT\$ 17,720 thousand; financial cost was NT\$ 21,083 thousand, etc., and 2023 net profit after tax was NT\$ 37,036 thousand; net profit attributable to the Company owner was NT\$35,280 thousand; earnings per share was NT\$ 0.32.

II. Revenue and Expenditure and Profitability Analysis

(I) Financial Position:

Unit: NT\$ thousand		
Account title	2023	2022
Operating revenue	1,796,452	2,225,595
Operation gross profit	249,707	417,233
Operating expenses	281,228	303,451
Operating income (loss)	(31,521)	113,782
Net income for this period	37,036	170,125
Net income attributable to		
Owners of the Company	35,280	167,822
Non-controlling interests	1,756	2,303

(II) Profitability analysis:

Item		2023	2022
Gross profit margin (%)		14	19
Return on assets (%)		1.23	4.12
Return on shareholders' equity (%)		1.44	6.58
As a percentage of paid-in capital (%)	Operating income	(2.89)	10.43
	Income before tax	2.33	20.32
Net profit margin (%)		2.06	7.64
Earnings per share (NTD)		0.32	1.54

III. R&D status: The main R&D status in 2021 is specified below:

(I) Lead Frame for Semiconductor Industry

- (1) The lead frame for the power module of hybrid vehicles is officially in mass production.
- (2) The lead frame for automotive TVS components with new specifications is officially in mass production.
- (3) New lead frame for high-power automotive applications have entered the trial production stage.
- (4) Lead frame IC power modules are being sampled to new customers.

(II) Electronic components

- (1) Development of terminal blocks (screwless type) series, key switches, rotary switches, and micro switches for future-oriented applications in smart industries, automotive, lighting, industrial electronic, and electric hand tool applications, as well as product development and promotion.
- (2) Research and develop products for industrial electromechanical equipment using high-voltage/high-current terminal blocks.
- (3) Develop a series of compact high-impact trigger switches (integrated Hall element sensing type) for precision hand tools.
- (4) Develop a series of industrial control switches with ultra-small 25*35mm switch plates.
- (5) Develop a series of ultra-small industrial control with quick-detach safety lock attachment switch bases.
- (6) The self-design relay testing equipment is approved for mass production and has achieved the goal of independent research and development by adding AC (alternating current) relay testing functionality on the existing basis.
- (7) Further implementation of automated production equipment for relays, while the second automatic line for GQ relay approved for mass production. Implementation a second automatic line for EMI relay, currently in the trial stage. Implement an automatic lines for MIH relay to continue increasing production capacity.
- (8) Implementation of optocoupler relay production equipment to increase production capacity, and has been approved of mass production.

(III) Stepping motors

- (1) Medical motor module development: the blood pressure monitor motor has been put into mass production, while the blood analyzer motor has entered the customer testing phase.
- (2) Clock module motor and mechanism development completed.
- (3) Servo stepper motor development for use in automated equipment motors has entered the real-machine testing and functional enhancement phase.
- (4) Aircraft motor research and sampling testing in progress.

Future Outlook

Business development plans

(I) Lead Frame for Semiconductor Industry:

- (1) Continuously develop new customers in the European and American markets.
- (2) Expand the business of lead frame for automotive market.
- (3) Develop high-end application products and markets such as smart/green energy products.

(II) Electronic components:

- (1) Developing emerging markets in ASEAN countries, planning to expand sales networks through online platforms and e-commerce systems by introducing distributors, and executing comprehensive product line promotion. The main focus is on differentiated products such as semiconductor relays and solid-state relays, targeting markets primarily in industrial automation, household appliance applications, and electric vehicles.
- (2) Developing markets such as PSU/PDU, green energy, electric vehicles, and 5G network applications, while continuously expanding industries such as HVAC refrigeration air conditioning and smart appliances.
- (3) Through continuous promotion of innovative activities such as lean production, SPC quality systems, and strategic marketing, accelerating the research and development of products for environmental protection, green energy, electric vehicles, and smart home control applications, maintaining global competitiveness, assisting customers in maintaining their leading positions, providing complete and comprehensive solutions, and becoming long-term strategic partners for customers.

(III) Stepping motors:

- (1) Expanding motor types: linear motor, robot arm motor, screw motors and HB type stepping motor and DC brushed motors.
- (2) Expansion of application products with mortar manufacturing technologies: automotive expansion valve coil, electromagnetic valve, throttle actuator and valve linear stepping motor actuator.
- (3) Development on new market: expanding business in regions, such as Europe, USA, Russia and Japan, etc.

Looking ahead, the pressure of semiconductor inventory adjustment is expected to gradually ease. Demand in consumer electronics, automotive, and industrial markets is expected to gradually recover. Demand for automotive, AI, 5G, low-orbit satellites, and other related applications is gradually increasing. The demand for discrete components will also increase due to the growing demand for automotive and industrial control new products, bringing new growth opportunities. In addition, the gradual clearance of semiconductor supply chain inventory related to consumer electronics products will lead to a stronger willingness of end customers to place orders, stimulating the capacity utilization rate of semiconductor packaging and testing companies to rebound, further driving demand for lead frames. Therefore, it is expected that the manufacturing industry's business climate will improve in 2024.

The Company will continue to establish automated production processes, collect automated equipment data in real time, and improve the product production yield. We will adopt lean manufacturing, an SPC(Statistical process control) quality management, strategic marketing, and other innovative activities, to accelerate our R&D of products for environmental protection and green energy, electric vehicles, and smart home control applications, continue to maintain our global competitiveness, and assist clients in achieving and maintaining their leading positions, while providing them with a variety of total solutions as their long-term strategic partner.

Chairman: Liao Pen-Lin

Manager: Liao Pen-Lin

Chief of Accounting Officer: Chiang, Yu-Chang

Audit Committee's Review Report

The board of directors prepared the Company's 2023 Business Report, Financial Statements, and Statement of Earnings Distribution, among which the Financial Statements have been audited by Deloitte & Touche, by whom an audit report has been issued. Business Report, Financial Statements, and proposal for allocation of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Excel Cell Electronic Co., Ltd.

Convener of the Audit Committee:

Hsu Ching-Tao

March 6, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Excel Cell Electronic Company Limited

Opinion

We have audited the accompanying Parent company only financial statements of Excel Cell Electronic Company Limited (the “Company”), which comprise the Parent company only balance sheets as of December 31, 2023 and 2022, and the Parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the Parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to Other Matter section), the accompanying Parent company only financial statement present fairly, in all material respects, the Parent company only financial position of the Company as of December 31, 2023 and 2022, and its Parent company only financial performance and its Parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis For Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent company only Financial Statements section of our report. We are independent of 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 Parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's Parent company only financial statements for the year ended December 31, 2023 is discussed as follows:

Recognition of sales revenue

The Company's main sales items are electronic components such as programmable switches, relays and lead frames. Certain products which significant growth in customers significantly impact the overall operating revenue and profitability and are therefore identified as a key audit matter. Refer to Notes 4 to the Parent company only financial statements for accounting policies of revenue recognition.

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We understood and tested the design and implementation of internal control over revenue recognition and verified, on a sampling basis, the appropriateness of the approved original orders.
2. We verified the authenticity of the revenue recognition by sampling the sales details of the major sales items to the original orders, sales slips and receipts.

Other Matter

We did not audit the financial statements of Fuzetec Technology Co., Ltd. accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investments, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$241,926 thousand and NT\$258,537 thousand, both constituting 6% of the Parent company only total assets as at December 31, 2023 and 2022, respectively, and the comprehensive loss recognized from investments accounted for under the equity method amounted to NT\$15,949 thousand and NT\$38,675 thousand, constituting 66% and 23% of the Parent company only total comprehensive income for the years then ended, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to these investees, is based solely on the reports of the other auditors.

Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements

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

In preparing the Parent company only 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 members of the Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent company only Financial Statements

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

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

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

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

5. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ding-jian, Su and Hsin-wai, Tai.

Independent Accountants

Su, Ting-Chien
Tai, Hsin-Wei

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 6, 2024

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 309,803	8	\$ 530,733	12
1110	Financial assets at fair value through profit or loss – Current (Note 4 and 7)	50,877	1	46,077	1
1120	Financial assets at fair value through other comprehensive income – Current (Note 4 and 11)	71,060	2	-	-
1150	Notes receivable from unrelated parties (Note 4 and 8)	7,774	-	11,943	-
1170	Accounts receivable from unrelated parties (Note 4 and 8)	186,852	5	183,822	4
1180	Accounts receivable from related parties (Note 4, 8 and 21)	18,102	-	26,294	1
1200	Other receivables net (Note 17 and 21)	4,624	-	964	-
1310	Inventories (Notes 4 and 9)	260,274	6	311,804	7
1470	Other current assets	7,559	-	13,741	1
11XX	Total current assets	<u>916,925</u>	<u>22</u>	<u>1,125,378</u>	<u>26</u>
	NONCURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income – Noncurrent (Note 4 and 10)	121,125	3	196,953	5
1550	Investments accounted for using equity method (Note 4 and 11)	1,294,903	32	1,351,597	31
1600	Property, plant and equipment (Notes 4, 12, 21, 22 and 23)	1,602,505	39	1,535,115	35
1780	Intangible assets (Notes 4)	37,855	1	38,649	1
1840	Deferred income tax assets (Notes 4 and 17)	39,426	1	17,122	-
1915	Prepayment for equipment	69,646	2	98,543	2
1975	Net defined benefit asset – Noncurrent (Note 4 and 14)	9,699	-	2,724	-
1990	Other noncurrent assets	2,074	-	3,171	-
15XX	Total noncurrent assets	<u>3,177,233</u>	<u>78</u>	<u>3,243,874</u>	<u>74</u>
1XXX	TOTAL	<u>\$ 4,094,158</u>	<u>100</u>	<u>\$ 4,369,252</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 13)	\$ 570,000	14	\$ 410,000	10
2110	Short-term bills payable (Note 13)	-	-	380,000	9
2170	Notes and accounts payables to unrelated parties	160,650	4	134,623	3
2180	Notes and accounts payables to related parties (Note 21)	25,586	-	38,970	1
2200	Other payables (Notes 21)	75,706	2	98,802	2
2230	Current tax liabilities (Notes 4 and 17)	5,797	-	10,868	-
2313	Deferred income (Note 4 and 13)	2,689	-	2,194	-
2320	Long-term loans - current portion (Note 13)	138,580	3	119,480	3
2399	Other current liabilities	28,980	1	15,925	-
21XX	Total current liabilities	<u>1,007,988</u>	<u>24</u>	<u>1,210,862</u>	<u>28</u>
	NONCURRENT LIABILITIES				
2540	Long-term loans (Note 13 and 22)	549,510	14	530,345	12
2570	Deferred income tax liabilities (Notes 4 and 17)	5,883	-	12,637	-
2630	Long-term deferred income (Note 4 and 13)	9,615	-	9,365	-
25XX	Total noncurrent liabilities	<u>565,008</u>	<u>14</u>	<u>552,347</u>	<u>12</u>
2XXX	Total liabilities	<u>1,572,996</u>	<u>38</u>	<u>1,763,209</u>	<u>40</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3110	Capital stock	1,090,938	27	1,090,938	25
3200	Capital surplus	227,137	6	270,775	6
	Retained earnings				
3310	Legal reserve	329,350	8	312,197	7
3320	Special reserve	16,972	1	16,972	1
3350	Unappropriated earnings	753,337	18	793,700	18
3400	Other equity	103,428	2	121,461	3
3XXX	Total equity	<u>2,521,162</u>	<u>62</u>	<u>2,606,043</u>	<u>60</u>
	TOTAL	<u>\$ 4,094,158</u>	<u>100</u>	<u>\$ 4,369,252</u>	<u>100</u>

The accompanying notes are an integral part of the Parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023		2022	
		Amount	%	Amount	%
4000	OPERATING REVENUE, NET (Note 4 and 21)	\$ 1,175,640	100	\$ 1,441,622	100
5000	OPERATING COSTS (Notes 10, 17 and 21)	<u>1,005,357</u>	<u>86</u>	<u>1,147,088</u>	<u>79</u>
5900	GROSS PROFIT	<u>170,283</u>	<u>14</u>	<u>294,534</u>	<u>21</u>
	OPERATING EXPENSES (Notes 16)				
6100	Selling and marketing expenses	38,352	3	43,001	3
6200	General and administrative expenses	85,544	7	95,570	7
6300	Research and development expenses	<u>81,026</u>	<u>7</u>	<u>79,498</u>	<u>5</u>
6000	Total operating expenses	<u>204,922</u>	<u>17</u>	<u>218,069</u>	<u>15</u>
6900	PROFIT (LOSS) FROM OPERATIONS	(<u>34,639</u>)	(<u>3</u>)	<u>76,465</u>	<u>6</u>
	NON-OPERATING INCOME AND EXPENSES				
7050	Finance costs (Note 16)	(20,266)	(2)	(14,716)	(1)
7070	Share of profit of associates accounted for using the equity method (Note 4 and 11)	23,308	2	78,792	6
7100	Interest income	11,546	1	1,614	-
7190	Other income (Note 16 and 22)	18,728	2	20,392	1
7020	Other gains and losses (Note 16)	<u>12,260</u>	<u>1</u>	<u>32,541</u>	<u>2</u>
7000	Total non-operating income and expenses	<u>45,576</u>	<u>4</u>	<u>118,623</u>	<u>8</u>
7900	INCOME BEFORE INCOME TAX	10,937	1	195,088	14
7950	INCOME TAX EXPENSE (PROFIT) (Notes 4 and 17)	(<u>24,343</u>)	(<u>2</u>)	<u>27,266</u>	<u>2</u>
8200	NET PROFIT FOR THE YEAR	<u>35,280</u>	<u>3</u>	<u>167,822</u>	<u>12</u>

(Continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 14)	\$ 5,367	-	\$ 1,093	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(3,305)	-	(26,978)	(2)
8330	Share of the other comprehensive income of associates accounted for using the equity method (Note 11)	6,247	1	5,214	-
8349	Income tax related to items that will not be reclassified subsequently (Note 17)	(1,073)	-	(219)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	(18,303)	(2)	24,102	2
8300	Other comprehensive gain (loss) for the year, net of income tax	(11,067)	(1)	3,212	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 24,213</u>	<u>2</u>	<u>\$ 171,034</u>	<u>12</u>
	EARNINGS PER SHARE (NT\$, Note 18)				
9750	Basic	<u>\$ 0.32</u>		<u>\$ 1.54</u>	
9850	Diluted	<u>\$ 0.32</u>		<u>\$ 1.53</u>	

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

						(In Thousands of New Taiwan Dollars, Except Earnings Per Share)		
		Share Capital (Note 15)	Capital Surplus (Note 15)	Retained Earnings (Note 15)		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity (Note 4) Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
Code				Legal Reserve	Special Reserve			
					Unappropriated Earnings			
A1	BALANCE AT JANUARY 1, 2022	<u>\$ 1,090,938</u>	<u>\$ 314,412</u>	<u>\$ 296,058</u>	<u>\$ 19,870</u>	<u>\$ 703,769</u>	<u>(\$ 47,812)</u>	<u>\$ 2,538,800</u>
	Appropriation of 2020 earnings							
B1	Legal reserve	<u>-</u>	<u>-</u>	<u>16,139</u>	<u>-</u>	<u>(16,139)</u>	<u>-</u>	<u>-</u>
B5	Cash dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,456)</u>	<u>-</u>	<u>(65,456)</u>
B17	Reversal of special reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,898)</u>	<u>2,898</u>	<u>-</u>	<u>-</u>
C15	Capital Surplus distribute to Cash dividends	<u>-</u>	<u>(43,637)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,637)</u>
D1	Net profit for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,822</u>	<u>-</u>	<u>167,822</u>
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>971</u>	<u>24,102</u>	<u>(21,861)</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,793</u>	<u>24,102</u>	<u>(21,861)</u>
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(165)</u>	<u>5,467</u>	<u>5,302</u>
Z1	BALANCE AT DECEMBER 31, 2022	<u>1,090,938</u>	<u>270,775</u>	<u>312,197</u>	<u>16,972</u>	<u>793,700</u>	<u>(23,710)</u>	<u>2,606,043</u>
	Appropriation of 2022 earnings							
B1	Legal reserve	<u>-</u>	<u>-</u>	<u>17,153</u>	<u>-</u>	<u>(17,153)</u>	<u>-</u>	<u>-</u>
B5	Cash dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,456)</u>	<u>-</u>	<u>(65,456)</u>
C15	Capital Surplus distribute to Cash dividends	<u>-</u>	<u>(43,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,638)</u>
D1	Net profit for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,280</u>	<u>-</u>	<u>35,280</u>
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,345</u>	<u>(18,303)</u>	<u>2,891</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,625</u>	<u>(18,303)</u>	<u>(11,067)</u>
C7	Changes of associates accounted for using the equity method	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,621</u>	<u>(2,621)</u>	<u>-</u>
Z1	BALANCE AT DECEMBER 31, 2023	<u>\$ 1,090,938</u>	<u>\$ 227,137</u>	<u>\$ 329,350</u>	<u>\$ 16,972</u>	<u>\$ 753,337</u>	<u>(\$ 42,013)</u>	<u>\$ 2,521,162</u>

The accompanying notes are an integral part of the Parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 10,937	\$ 195,088
	Adjustments for:		
A20100	Depreciation expense	96,851	89,798
A20200	Amortization expense	4,116	6,861
A20300	Expected credit losses recognized (reversal)	(3)	(122)
A20400	Net profit of financial instruments at fair value through profit or loss	(4,800)	3,361
A20900	Finance costs	20,266	14,716
A21200	Interest income	(11,546)	(1,614)
A21300	Dividend income	(9,018)	(11,974)
A22400	Share of profit of subsidiaries and associates accounted for under equity method	(23,308)	(78,792)
A22500	Loss (gain) on disposal of property, plant and equipment, net	(158)	(787)
A23100	Loss on disposal of investments	747	3,936
A23700	Allowance for inventory valuation and obsolescence loss	5,748	7,485
A24100	Net unrealized loss on foreign currency exchange	4,144	1,744
A29900	Deferred Income	(2,477)	(1,950)
	Changes in operating assets and liabilities		
A31130	Notes receivable	4,169	6,990
A31150	Accounts receivable	810	74,035
A31180	Other receivables	(4,147)	(465)
A31200	Inventories	81,336	25,912
A31240	Other current assets	6,182	1,959
A32150	Notes and accounts payable	12,841	(99,848)
A32180	Other payables	(23,083)	2,312
A32230	Other current liabilities	13,055	3,480
A32240	Net defined benefit plan	(1,608)	(10,033)
A33000	Cash generated from operations	181,054	232,092
A33100	Interest received	11,546	1,614
A33200	Dividends received	48,873	51,253
A33300	Interest paid	(20,266)	(14,716)
A33400	Dividends paid	(109,094)	(109,093)
A33500	Income tax paid	(10,372)	(749)
AAAA	Net cash generated from operating activities	<u>101,741</u>	<u>160,401</u>

(Continued)

(Continued)

Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00020	Disposal of financial assets at fair value through other comprehensive	\$ 1,462	\$ 9,920
B00100	Purchase of financial assets at fair value through profit or loss	-	(44,480)
B00200	Disposal of financial assets at fair value through profit or loss	-	54,506
B01800	Purchase of investments accounted for using the equity method	(101,249)	(119,720)
B02300	Disposal of subsidiaries	128,595	118,004
B02400	Proceeds from capital reduction of investment	-	49,000
B02700	Payments for property, plant and equipment	(150,425)	(160,816)
B02800	Proceeds from disposal of property, plant and equipment	552	1,622
B03700	Decreased (Increased) in Refundable deposits	1,097	(843)
B04500	Payments for intangible assets	(3,322)	(4,736)
B07100	Increase in prepayments for equipment	(20,868)	(118,088)
BBBB	Net cash used in investing activities	(144,158)	(215,631)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	160,000	150,000
C00500	Increase in short-term bills payable	(380,000)	-
C01600	Proceeds from long-term loans	163,505	125,599
C01700	Repayment of long-term loans	(122,018)	(18,502)
CCCC	Net cash generated (outflow) from financing activities	(178,513)	257,097
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(220,930)	201,867
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	530,733	328,866
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 309,803	\$ 530,733

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Excel Cell Electronic Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Excel Cell Electronic Company Limited and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to Other Matter section), the accompanying consolidated financial statement present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis For Opinion

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

Key Audit Matters

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

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2023 is discussed as follows:

Recognition of sales revenue

The Group's main sales items are electronic components such as programmable switches, relays and lead frames. Certain products significantly impact the overall operating revenue and profitability and are therefore identified as a key audit matter.

Refer to Notes 4 to the consolidated financial statements for accounting policies of revenue recognition.

Our key audit procedures performed in respect of the above key audit matter included the following:

3. We understood and tested the design and implementation of internal control over revenue recognition and verified, on a sampling basis, the appropriateness of the approved original orders.
4. We verified the authenticity of the revenue recognition by sampling the sales details of the major sales items to the original orders, sales slips and receipts.

Other Matter

We did not audit the financial statements of Fuzetec Technology Co., Ltd. which a wholly-owned consolidated subsidiary and investees accounted for under the equity method. Total investments accounted for using equity method amounted to NT\$241,926 thousand and NT\$258,537 thousand, both constituting 6% of consolidated total assets as at December 31, 2023 and 2022, respectively. Comprehensive income accounted for using equity method of NT\$15,949 thousand and NT\$38,675 thousand, constituting 58% and 22% of consolidated total comprehensive income for the years ended December 31, 2023 and 2022, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to the consolidated subsidiary and investees, is based solely on the reports of the other auditors.

We have audited and expressed an unqualified opinion on the parent company only financial statements of Excel Cell Electronic Company Limited as at and for the years ended December 31, 2023 and 2022.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ding-jian, Su and Hsin-wai, Tai.

Independent Accounts

Su, Ting-Chien
Tai, Hsin-Wei

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 6, 2024

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 616,378	15	\$ 831,243	18
1110	Financial assets at fair value through profit or loss – Current (Note 4 and 7)	50,877	1	46,077	1
1120	Financial assets at fair value through other comprehensive income – Current (Note 4 and 10)	127,406	3	-	-
1150	Notes receivable from unrelated parties (Note 4 and 8)	38,437	1	36,786	1
1170	Accounts receivable from unrelated parties (Note 4 and 8)	295,603	7	335,747	8
1180	Accounts receivable from related parties (Note 4, 8 and 24)	1,368	-	1,581	-
1200	Other receivables (Note 4 and 20)	15,177	-	5,575	-
1310	Inventories (Notes 4 and 9)	371,180	9	466,967	10
1470	Other current assets	12,570	-	18,778	-
11XX	Total current assets	<u>1,528,996</u>	<u>36</u>	<u>1,742,754</u>	<u>38</u>
	NONCURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income – Noncurrent (Note 4 and 10)	121,308	3	253,646	6
1550	Investments accounted for using equity method (Note 4 and 12)	241,926	6	258,537	6
1600	Property, plant and equipment (Notes 4, 13, 24, 25 and 26)	2,139,798	51	2,083,751	46
1755	Right-of-use assets (Notes 4 and 14)	24,035	-	25,551	1
1780	Intangible assets (Notes 4)	37,854	1	38,649	1
1840	Deferred income tax assets (Notes 4 and 20)	40,139	1	18,479	-
1915	Prepayment for equipment	71,460	2	99,162	2
1975	Net defined benefit asset – Noncurrent (Note 4 and 17)	9,699	-	2,724	-
1990	Other noncurrent assets	2,226	-	3,371	-
15XX	Total noncurrent assets	<u>2,688,445</u>	<u>64</u>	<u>2,783,870</u>	<u>62</u>
1XXX	TOTAL	<u>\$ 4,217,441</u>	<u>100</u>	<u>\$ 4,526,624</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 15)	\$ 570,000	14	\$ 410,000	9
2110	Short-term bills payable (Note 15)	-	-	380,000	8
2170	Notes and accounts payables to unrelated parties	199,045	5	183,583	4
2180	Notes and accounts payables to related parties (Note 24)	17,765	1	19,150	-
2219	Other payables (Notes 16)	94,443	2	118,878	3
2220	Payables to equipment suppliers	2,414	-	6,086	-
2230	Current tax liabilities (Notes 4 and 20)	15,380	-	31,372	1
2280	Lease liabilities – Current (Note 4 and 14)	1,387	-	1,215	-
2313	Deferred income (Note 4 and 15)	3,130	-	2,643	-
2320	Long-term loans - current portion (Note 15 and 25)	138,580	3	136,859	3
2399	Other current liabilities	35,639	1	24,060	1
21XX	Total current liabilities	<u>1,077,783</u>	<u>26</u>	<u>1,313,846</u>	<u>29</u>
	NONCURRENT LIABILITIES				
2540	Long-term loans (Note 15 and 25)	549,510	13	530,345	12
2570	Deferred income tax liabilities (Notes 4 and 20)	33,915	1	41,422	1
2580	Lease liabilities – Noncurrent (Note 4 and 14)	1,383	-	2,136	-
2630	Long-term deferred income (Note 4 and 15)	16,668	-	17,005	-
2640	Net defined benefit liabilities – Noncurrent (Note 4 and 17)	973	-	1,279	-
2645	Guarantee deposits	102	-	104	-
25XX	Total noncurrent liabilities	<u>602,551</u>	<u>14</u>	<u>592,291</u>	<u>13</u>
2XXX	Total liabilities	<u>1,680,334</u>	<u>40</u>	<u>1,906,137</u>	<u>42</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3110	Capital stock	1,090,938	26	1,090,938	24
3200	Capital surplus	227,137	5	270,775	6
	Retained earnings				
3310	Legal reserve	329,350	8	312,197	7
3320	Special reserve	16,972	-	16,972	-
3350	Unappropriated earnings	753,337	18	793,700	18
3400	Other equity	103,428	3	121,461	3
31XX	Equity attributable to shareholders of the parent	<u>2,521,162</u>	<u>60</u>	<u>2,606,043</u>	<u>58</u>
36XX	NON - CONTROLLING INTERESTS	<u>15,945</u>	<u>-</u>	<u>14,444</u>	<u>-</u>
3XXX	Total equity	<u>2,537,107</u>	<u>60</u>	<u>2,620,487</u>	<u>58</u>
	TOTAL	<u>\$ 4,217,441</u>	<u>100</u>	<u>\$ 4,526,624</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

		(In Thousands of New Taiwan Dollars, Except Earnings Per Share)			
		2023		2022	
Code		Amount	%	Amount	%
4000	OPERATING REVENUE, NET (Note 4 and 24)	\$ 1,796,452	100	\$ 2,225,595	100
5000	OPERATING COSTS (Notes 10, 19 and 24)	<u>1,546,745</u>	<u>86</u>	<u>1,808,362</u>	<u>81</u>
5900	GROSS PROFIT	<u>249,707</u>	<u>14</u>	<u>417,233</u>	<u>19</u>
	OPERATING EXPENSES (Notes 19)				
6100	Selling and marketing expenses	67,985	4	78,679	4
6200	General and administrative expenses	125,114	7	136,262	6
6300	Research and development expenses	<u>88,129</u>	<u>5</u>	<u>88,510</u>	<u>4</u>
6000	Total operating expenses	<u>281,228</u>	<u>16</u>	<u>303,451</u>	<u>14</u>
6900	PROFIT (LOSS) FROM OPERATIONS	(<u>31,521</u>)	(<u>2</u>)	<u>113,782</u>	<u>5</u>
	NON-OPERATING INCOME AND EXPENSES				
7050	Finance costs (Note 15 and 19)	(21,083)	(1)	(16,518)	(1)
7100	Interest income	17,138	1	2,913	-
7010	Other income (Note 19 and 24)	29,402	1	30,941	2
7370	Share of profit of associates accounted for using the equity method (Note 4 and 12)	16,408	1	38,396	2
7020	Other gains and losses (Note 19)	<u>15,028</u>	<u>1</u>	<u>52,218</u>	<u>2</u>
7000	Total non-operating income and expenses	<u>56,893</u>	<u>3</u>	<u>107,950</u>	<u>5</u>
7900	INCOME BEFORE INCOME TAX	25,372	1	221,732	10

(Continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7950	INCOME TAX EXPENSE (PROFIT) (Note 4 and 20)	<u>(\$ 11,664)</u>	<u>(1)</u>	<u>\$ 51,607</u>	<u> 2</u>
8200	NET PROFIT FOR THE YEAR	<u>37,036</u>	<u> 2</u>	<u>170,125</u>	<u> 8</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 4 and 17)	5,489	1	1,269	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	4,442	-	(20,581)	(1)
8320	Share of the other comprehensive income of associates accounted for using the equity method (Note 4 and 12)	(26)	-	(15)	-
8349	Income tax related to items that will not be reclassified subsequently (Note 20)	(1,098)	-	(254)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 4)	<u>(18,303)</u>	<u>(1)</u>	<u>24,102</u>	<u> 1</u>
8300	Other comprehensive gain (loss) for the year, net of income tax	<u>(9,496)</u>	<u>-</u>	<u>4,521</u>	<u>-</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 27,540</u>	<u> 2</u>	<u>\$ 174,646</u>	<u> 8</u>
	NET PROFIT ATTRIBUTABLE TO:				
8610	Shareholders of the Company	<u>\$ 35,280</u>	<u> 2</u>	<u>\$ 167,822</u>	<u> 8</u>
8620	Non-controlling interests	<u>1,756</u>	<u>-</u>	<u>2,303</u>	<u>-</u>
8600		<u>\$ 37,036</u>	<u> 2</u>	<u>\$ 170,125</u>	<u> 8</u>

(Continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Shareholders of the Company	\$ 24,213	2	\$ 171,034	8
8720	Non-controlling interests	<u>3,327</u>	<u>-</u>	<u>3,612</u>	<u>-</u>
8700		<u>\$ 27,540</u>	<u>2</u>	<u>\$ 174,646</u>	<u>8</u>
	EARNINGS PER SHARE (Note 21)				
9750	Basic	<u>\$ 0.32</u>		<u>\$ 1.54</u>	
9850	Diluted	<u>\$ 0.32</u>		<u>\$ 1.53</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		Equity Attributable to Shareholders of the Parent									
							Other Equity				
Code		Share Capital (Note 18)	Capital Surplus (Note 18)	Retained Earnings (Note 18)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-Controlling Interests	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings					
A1	BALANCE AT JANUARY 1, 2022	\$ 1,090,938	\$ 314,412	\$ 296,058	\$ 19,870	\$ 703,769	(\$ 47,812)	\$ 161,565	\$ 2,538,800	\$ 12,514	\$ 2,551,314
	Appropriation of 2021 earnings										
B1	Legal reserve	-	-	16,139	-	(16,139)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(65,456)	-	-	(65,456)	-	(65,456)
B17	Reversal of special reserve	-	-	-	(2,898)	2,898	-	-	-	-	-
C15	Capital Surplus distribute to Cash dividends	-	(43,637)	-	-	-	-	-	(43,637)	-	(43,637)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	167,822	-	-	167,822	2,303	170,125
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	971	24,102	(21,861)	3,212	1,309	4,521
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	168,793	24,102	(21,861)	171,034	3,612	174,646
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(1,682)	(1,682)
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(165)	-	5,467	5,302	-	5,302
Z1	BALANCE AT DECEMBER 31, 2022	1,090,938	270,775	312,197	16,972	793,700	(23,710)	145,171	2,606,043	14,444	2,620,487
	Appropriation of 2022 earnings										
B1	Legal reserve	-	-	17,153	-	(17,153)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(65,456)	-	-	(65,456)	-	(65,456)
C15	Capital Surplus distribute to Cash dividends	-	(43,638)	-	-	-	-	-	(43,638)	-	(43,638)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	35,280	-	-	35,280	1,756	37,036
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	4,345	(18,303)	2,891	(11,067)	1,571	(9,496)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	39,625	(18,303)	2,891	24,213	3,327	27,540
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(1,826)	(1,826)
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	2,621	-	(2,621)	-	-	-
Z1	BALANCE AT DECEMBER 31, 2023	\$ 1,090,938	\$ 227,137	\$ 329,350	\$ 16,972	\$ 753,337	(\$ 42,013)	\$ 145,441	\$ 2,521,162	\$ 15,945	\$ 2,537,107

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 25,372	\$ 221,732
A20010	Adjustments for:		
A20100	Depreciation expense	159,221	147,127
A20200	Amortization expense	5,248	9,585
A20300	Expected credit losses recognized (reversal)	(57)	(127)
A20400	Net profit of financial instruments at fair value through profit or loss	(4,800)	3,497
A20900	Finance costs	21,083	16,518
A21200	Interest income	(17,138)	(2,913)
A21300	Dividend income	(11,682)	(14,656)
A22300	Share of profit of associates accounted for under equity method	(16,408)	(38,396)
A22500	Gain on disposal of property, plant and equipment, net	(542)	(1,408)
A22700	Loss (gain) on disposal of property, plant and equipment, net	-	(10,626)
A23700	Allowance for inventory valuation and obsolescence loss	11,436	13,714
A24100	Net unrealized loss on foreign currency exchange	4,922	10,456
A29900	Deferred Income	(2,924)	(1,950)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(1,651)	27,028
A31150	Accounts receivable	35,826	63,857
A31180	Other receivables	(5,000)	(1,856)
A31200	Inventories	87,488	115,066
A31240	Other current assets	6,054	14,541
A32150	Notes and accounts payable	14,338	(113,422)
A32180	Other payables	(28,100)	(6,960)
A32230	Other current liabilities	11,579	(17,548)
A32240	Net defined benefit plan	(1,818)	(10,238)
A33000	Cash generated from (used in) operations	292,447	423,021
A33100	Interest received	17,138	2,913
A33200	Dividends received	44,242	47,216

(Continued)

(Continued)

Code		2023	2022
A33300	Interest paid	(21,083)	(16,518)
A33400	Dividends paid	(109,094)	(109,093)
A33500	Income tax paid	(38,552)	(17,787)
AAAA	Net cash generated from (used in) operating activities	<u>185,098</u>	<u>329,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B00020	Disposal of financial assets at fair value through other comprehensive	\$ 9,374	\$ 10,068
B00030	Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	83
B00100	Purchase of financial assets at fair value through profit or loss	-	(44,480)
B00200	Disposal of financial assets at fair value through profit or loss	-	56,846
B02700	Payments for property, plant and equipment	(188,537)	(306,567)
B02800	Proceeds from disposal of property, plant and equipment	14,035	49,342
B03800	Refundable deposits paid (refunded)	1,145	(630)
B04500	Payments for intangible assets	(3,321)	(4,736)
B05500	Proceeds from disposal of investment property	-	20,453
B06700	Decrease (Increase) in other noncurrent assets	(1,132)	1,253
B07100	Increase in prepayments for equipment	(22,874)	(156,948)
BBBB	Net cash used in investing activities	<u>(191,310)</u>	<u>(375,316)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C00200	Increase in short-term loans	160,000	150,000
C00500	Decrease in short-term bills payable	(380,000)	-
C01600	Proceeds from long-term loans	163,505	125,727
C01700	Repayment of long-term loans	(139,390)	(52,224)
C03100	Increase (Decrease) in guarantee deposits received	(2)	1
C04020	Repayment of the principal portion of lease liabilities	(1,330)	(1,673)
C05800	Change in non-controlling interests	(1,826)	(1,682)
CCCC	Net cash generated (outflow) from financing activities	<u>(199,043)</u>	<u>220,149</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(9,610)</u>	<u>13,662</u>

(Continued)

(Continued)

Code		2023	2022
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(214,865)	188,247
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>831,243</u>	<u>642,996</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 616,378</u>	<u>\$ 831,243</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

Excel Cell Electronic Co., Ltd.
The 2023 Earnings Distribution Statement

Summary			Remark
	Subtotal	Total	
Undistributed earnings at the beginning of the period		711,091,643	
Net income after tax for 2023	35,279,778		
The remeasurement of defined benefit plans recognized in retained earnings	4,344,706		
Disposal of Investment of Equity Instruments at fair value through other comprehensive income, accumulated income directly transferred to retained earnings.	2,620,894		
Reversal of the special reserve for which the TIFRS cumulative translation adjustments were adopted for the first time		42,245,378	
The net income after tax for this period plus the amount of items other than the net income after tax for this period included in this year's undistributed earnings		(4,224,538)	
Provision for legal reserve		749,112,483	
Distributable earnings for this period			
Items to which earnings are distributed		32,728,143	
Shareholder dividends - cash		716,384,340	Dividend per share NT\$ 0.3
Undistributed earnings in the end of the period		711,091,643	

Remark 1: As of March 6, 2024, a total of 109,093,807 shares were issued.

Remark 2: Undistributed earnings for 2023 was prioritized for the distribution of earnings.

Chairman: Liao Pen-Lin

Manager: Liao Pen-Lin

Chief of Accounting Officer: Chiang, Yu-Chang

Comparison table before and after the revision of “Amendment 13908 to the Regulation for Endorsements and Guarantees.”

The article after amendment	The article before amendment	Detail
<p>Contents :</p> <p>4. When our company handles endorsement guarantee matters,</p> <p><u>4.1 The application should be submitted by the guaranteed company to the Office of the CEO of our company. The Office of the CEO should conduct a credit investigation on the guaranteed company, assess its risk, and keep evaluation records. After review and approval, it should be submitted to the CEO for endorsement, and the results of the risk assessment should be reported to the board of directors for resolution.</u></p> <p><u>4.2 Collateral should be obtained if it is necessary, but this does not apply to subsidiaries that are 100% invested by our company.</u></p>	<p>Contents:</p> <p>4. When our company handles endorsement guarantee matters, the endorsing company should submit an application letter to the office of the CEO of our company. The office of the CEO should conduct a credit investigation on the endorsing company, assess its risk, and keep evaluation records. After review and approval, it should be submitted to the CEO for endorsement. If necessary, collateral should be obtained, but this does not apply to subsidiaries that are 100% invested <u>by our company.</u></p>	<p>The legal effect of listing the original article side by side is that 100% of the subsidiary invested in accordance with the sub-clause does not need to be endorsed by the guarantor company to submit an application to the executive office of this company; nor is it necessary to conduct credit investigations on the guarantor company, evaluate its risk, and have evaluation records prepared; nor is it necessary to obtain collateral.</p> <p>In order to comply with Article 17 of the Regulations Governing Loaning of Fund and Making of Endorsements/Guarantees by Public Companies careful assessment should be made to determine whether it complies with this guideline and the provisions of the company's endorsement guarantee procedures. The evaluation results should be submitted to the board of directors for resolution. Therefore, the amended original provision only applies to subsidiaries with 100% investment and do not require collateral when are guaranteed.</p>
<p>15. The establishment or amendment of these regulations shall require the consent of more than half of all members of the Audit Committee, and shall be proposed for resolution by the Board of Directors and <u>discussed at the shareholders' meeting. The same shall apply to amendments.</u></p> <p>If the aforementioned does not receive the consent of more than half of all members of the Audit Committee, it may be implemented with the consent of more than two-thirds of all directors, and <u>the decision of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p>The total number of members of the Audit Committee and the Board of Directors shall be based on the actual number of incumbents.</p>	<p>15. The establishment or amendment of these regulations shall require the consent of more than half of all members of the Audit Committee, and shall be proposed for resolution by the Board of Directors.</p> <p>If the aforementioned does not receive the consent of more than half of all members of the Audit Committee, it may be implemented with the consent of more than two-thirds of all directors, and <u>the decision of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p>The total number of members of the Audit Committee and the Board of Directors shall be based on the actual number of incumbents.</p>	<p>When public companies engaging in lending funds or endorsing guarantees for others, are required by regulations to submit for discussion at the shareholders' meeting, and the same shall apply to amendments. Therefore, the original article is amended to comply with Article 8 of the Regulations Governing Loaning of Fund and Making of Endorsements/Guarantees by Public Companies.</p>

Excel Cell Electronic Co., Ltd.
Rules of Procedure for Shareholders Meetings

- I. Purpose: To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.
- II. Scope: The rules of procedure for the Company's shareholders' meetings shall be governed by these Rules, unless otherwise stipulated by laws and regulations or the Articles of Incorporation.
- III. Definition of terms: None.
- IV. Contents:
 1. The Company shall, at the venue of the shareholders' meeting, furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in.
 2. Attendance and voting at shareholders' meetings shall be counted based on numbers of shares.
 3. The venue for a shareholders' meeting shall be the Company's premises or a place that is 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.
 4. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to perform the duties as the chair for any reason, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the chair.
 - 4.1. If a shareholders' meeting is convened by a party with power to convene other than the Chairman, 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, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.
 6. The Company shall make an audio and video recording of the entire proceedings of a shareholders' meeting and preserve the recordings, along with the attending shareholders' sign-in book and proxy forms, for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such materials shall be retained until the conclusion of the litigation. Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting, and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes in the preceding paragraph may be prepared and distributed in the form of announcement. The minutes shall be retained for the duration of the existence of the Company.
 - 6.1. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors or supervisors.
 7. The chair shall call the meeting to order upon the meeting time. However, when the attending shareholders do not represent a majority of the total number of outstanding 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.
 - 7.1. If attending shareholders still represent less than the required total number of the issued shares, however, attending shareholder represent at least one third of outstanding shares, tentative resolutions may be passed in accordance with Article 175, Paragraph 1 of the Company Act.

- 7.2. When the attending shareholders represent a majority of the total issued shares, the chair may resubmit the tentative resolution for a vote by the meeting pursuant to Article 174 of the Company Act.
8. 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 relevant proposals on the agenda one by one (including extempore 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 by the shareholders' meeting.
- 8.1. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions). If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders may elect a new chair in accordance with statutory procedures by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.
- 8.2. After the meeting is adjourned, shareholders may not nominate another chair or seek another venue for continuation of the meeting.
- 8.3. 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 the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter under Article 185, Paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and 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 shareholders' meeting. None of the above matters may be raised by an extempore motion. The main content may be disclosed on the website designated by the competent securities authority or the Company, and the website address shall be stated in the meeting notice.
- 8.4. Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.
- 8.5. A shareholder holding 1% or more of the total number of outstanding shares may submit to the Company a proposal for discussion at an annual general meeting of shareholders. 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. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors. 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.
9. A shareholder wishing to speak at a shareholders meeting shall first fill out a slip, specifying therein the major points of their speech, shareholder account number (or attendance card number) and account name, and the chair shall determine their order of giving a speech.
- 9.1. A shareholder who submits a speech slip without giving a speech shall be considered as not having given a speech. If the contents of the speech are different from those specified on the slip, the contents of their speech shall prevail.
- 9.2. 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.
10. Except with the consent of the chair, a shareholder may not speak more than twice on the same

proposal for ratification, discussion, or resolution, and a single speech may not exceed five minutes; may not speak more than once on the same report, and a single speech may not exceed five minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the proposal, or the proposals or speeches on matters that cannot be brought up by extempore motion or proposals or speeches on matters that are not required to be resolved by the shareholders' meeting as per law, the chair may not allow the speech or have the shareholder stop the speech. .

11. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
12. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
13. 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. At the shareholders meeting, the Board of Directors shall explain in the meeting handbook the reasons for any shareholders' proposals not included in the agenda. Where the reasons are explained in the meeting handbook, they are deemed to have been explained to the shareholders' meeting and may not be included in the meeting minutes. For a shareholder proposal that has been included in the agenda, if the proposing shareholder fails to attend in person or by proxy or does not participate in the discussion about the proposal despite attendance in person or by proxy, the chair may set aside the shareholder proposal.
14. Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all scrutineers be shareholders of the Company. The results of the voting shall be announced on-site at the meeting and recorded.
15. When a meeting is in progress, the chair may announce a break based on time considerations.
16. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If no objection is voiced after the chair consults the shareholders, a proposal is deemed to be passed, and its effect is the same as voting. A shareholder shall be entitled to one vote for each share held. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting rights represented by them shall not exceed 3% of the total number of the Company's voting shares, otherwise, the portion of excessive voting rights shall not be counted.
 - 16.1. Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.
 - 16.2. Once a proxy form is received by the Company, if the shareholder wishes to attend the shareholders' meeting in person, a written proxy rescission notice shall be filed with the Company no later than two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.
 - 16.3. When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights in writing. The method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting. Therefore, it is advisable for the Company to avoid putting forth extempore motions and amendments to the original proposals.
17. 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.

18. 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 venue, they shall wear an armband, reading "Proctor".
19. These Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting. Matters not specified in these Rules may be decided by the chair.

Articles of Incorporation of Excel Cell Electronic Co., Ltd.

Chapter 1 General Provisions

- Article 1 The Company is incorporated in accordance with the Company Act and named 百容電子股份有限公司; its English name is Excel Cell Electronic Co., Ltd.
- Article 2 The scope of the Company's business is as follows:
I. CC01080 Electronics Components Manufacturing.
II. CC01090 Manufacture of Batteries and Accumulators.
III. CE01040 Watches and Clocks Manufacturing.
IV. CC01110 Computer and Peripheral Equipment Manufacturing.
V. CB01990 Other Machinery Manufacturing.
VI. CA02080 Metal Forging.
VII. CA02990 Other Metal Products Manufacturing.
VIII. C805050 Industrial Plastic Products Manufacturing.
IX. F401010 International Trade.
X. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company is headquartered in Taichung City and may set up branches at home or abroad by the resolution of the Board of Directors.
- Article 4 The announcement methods by the Company shall be handled in accordance with Article 28 of the Company Act.
- Article 4-1 The Company may provide endorsements or guarantees to external entities in accordance with the Company's Operating Procedures for Endorsements and Guarantees.

Chapter 2 Shares

- Article 5 The Company's total capital is NT\$1.34 billion, which is divided into 134 million shares at NT\$10 per share, which may be issued in tranches. Of said capital, 5.1 million shares are reserved for the conversion of issued employee stock warrants, and the unissued shares may be issued by the Board of Directors depending on the actual needs.
- Article 6 The Company's shares are issued after being signed or sealed by at least three directors and certified by the competent authority or a certifying institution it approves. Regarding the shares issued, The Company may be exempted from printing stock certificates but shall register with the centralized securities depository enterprise.
- Article 7 Unless otherwise stipulated by other laws and regulations, the Company's shareholder service shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 8 The Company's registered shares may be transferred by stock holders through endorsement, and the names or tiles of transferees shall be recorded in the stock certificates, while the transferees' names and addresses shall be recorded in the Company's shareholder register as the only means of defense against the Company.
- Article 9 If a stock certificate is lost or damaged, the shareholder shall submit a written application to the Company for reissuance of the stock certificate in accordance with legal procedures.
- Article 10 (Deleted)

Article 11 The Company's book closure period shall be handled in accordance with the Company Act and other applicable laws and regulations.

Chapter 3 Shareholders' Meeting

Article 12 There are general and extraordinary shareholders' meetings. The Board of Directors shall convene the general meeting once per year within six months after the end of each fiscal year, with a notice sent to all shareholders no later than 30 days before the meeting, while an extraordinary meeting may be convened at any time if needed as per law. With shareholders' consent, the meeting notice may be given by electronic means. Prior to the general shareholders' meeting convened, shareholders may submit to the Company proposals for the general shareholders' meeting in accordance with Article 172-1 of the Company Act during the acceptance period announced by the Company.

Article 12-1. The Company may convene the shareholders' meeting by means of visual communication network or other methods promulgated by the central competent authority.

Article 13 Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting by presenting a proxy form as per Article 177 of the Company Act. However, shareholders who make proposals pursuant to Article 172-1 of the Company Act shall attend the shareholders' meeting in person or appoint a proxy to participate in the discussion of such proposals.

Article 14 A shareholders' meeting shall be chaired by the Chairman. When the Chairman is absent, the Vice Chairman shall chair the meeting on his behalf. Where the Vice Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the chair.

Article 15 A shareholder shall be entitled to one vote per share held, except when the shares are deemed non-voting shares under any of the circumstances under Article 179 of the Company Act.

Article 16 Resolutions at a shareholders' meeting shall, unless otherwise provided in applicable laws and regulations or the Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than half of the total issued shares.

Article 17 Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. A summary of the deliberations and their voting results shall be recorded in the meeting minutes, which , along with the attending shareholders' sign-in book and proxy forms, shall be retained at the Company. The meeting minutes in the preceding paragraph may be distributed in the form of announcement.

Chapter 4 Board of Directors and Supervisors

Article 18 The Company shall have nine to eleven directorships on the board. A candidate nomination system shall be adopted for the elections of directors. The shareholders' meeting shall elect such directors from a list of candidates; the term of office is three years, and they may be re-elected.

- Article 18-1 Of the above-mentioned number of directors, the number of independent directors shall not be fewer than three and shall not be fewer than one-fifth of the total number of directorships. A candidate nomination system shall be adopted. The shareholders' meeting shall elect such independent directors from a list of candidates;
- Article 18-2 The method of accepting the nominations for director candidates and making announcements shall be handled in accordance with the Company Act, the Securities and Exchange Act, and applicable laws and regulations. Independent directors and non-independent directors shall be elected together, while the elected candidates shall be counted separately.
- Article 18-3 The Board of Directors shall be delegated to determine directors' remuneration and honoraria based on the degree of their participation in the Company's operations and the value of individuals' contribution, while with reference to the general standards in the industry.
- Article 18-4 The Company may purchase directors liability insurance to reduce the risk of directors being sued by shareholders or other related parties due to performance of duties as required by law. The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors at the soonest board meeting.
- Article 18-5 The Company's Audit Committee is formed by all independent directors as per law. The performance of duties by the Audit Committee and its members and relevant matters shall be handled in accordance with the Securities and Exchange Act and applicable laws and regulations.
- Article 19 When the number of directors falls short by one-third of the total number, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days to hold a by-election, and new directors shall only hold the position till the end of the term of office of the existing directors.
- Article 19-1 If independent directors are dismissed for any reason, causing the number falls short of that required under Article 18-1, a by-election shall be held at the soonest shareholders' meeting. When the independent directors are dismissed en masse, the Board of Directors shall call an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. New directors shall only hold the position till the end of the term of office of the existing directors.
- Article 20 When the term of office of the existing directors ends and an election of new directors fails to be held in time, their term shall be extended till new directors take office. However, the competent authority may order the Company to hold an election of new directors prior to a deadline; if the Company fails to follow suit, the directors shall be certainly dismissed after the deadline.
- Article 21 The Board of Directors is formed by all directors. The Chairman and the Vice Chairman are elected with the approval of more than half of the directors present at a board meeting attended by more than two thirds of all directors, and they both handle all the Company's business in accordance with laws, regulations, the Articles of Incorporation, and resolutions adopted by the shareholders' meeting and the Board of Directors.
- Article 22 The Company's business approaches and other important matters shall be carried out by the resolution of the Board of Directors. Except for the first board meeting of each term of the Board of Directors that shall be held in accordance with Article 203 of the Company Act, the remaining board meetings shall be convened and chaired by the Chairman. When the Chairman is unable to perform his duties, the Vice Chairman shall act as the chair on his behalf; if the Vice Chairman is unable to perform his duties for a specific reason, the Chairman shall designate a director

- Article 23 to act as the acting chair; where the Chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the acting chair. The board meeting notice may be sent in writing or by email or fax no later than seven days before a board meeting. In case of emergency, a board meeting may be convened at any time, and the meeting notice may also be sent in writing or by email or by fax.
- Unless otherwise provided in the Company Act, a board meeting shall be convened with the consent of more than half of all directors present at a board meeting attended by more than half of all directors. If a director is unable to attend the meeting for a specific reason, they shall issue a proxy form, specifying therein the scope of authority with reference to the issues to be discussed at the meeting, to entrust another director to attend the meeting on their behalf; however, each director shall be entrusted by only one director. A director who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise the voting right on behalf of another director. If a director's spouse, relative within the second degree of kinship by blood, or a company with which the director has a controlling and subordinate relation has an interest in a matter discussed in said meeting, the director shall be deemed to have their personal interest involved in the matter.
- Article 24 Matters relating to the resolutions by a board meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each director within 20 days after the conclusion of the meeting. A summary of the deliberations and their voting results shall be recorded in the meeting minutes, which, along with the attending board's sign-in book and proxy forms, shall be retained at the Company.
- Article 25 (Deleted)

Chapter 5 Managers and Employees

- Article 26 The Company's managers: The Company may appoint one CEO and several presidents and vice presidents for business divisions whose responsibilities shall be determined by the Board of Directors. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.
- Article 27 The Company may hire consultants and important staff by the resolution of the Board of Directors in accordance with Article 23 of the Articles of Incorporation.

Chapter 6 Accounting

- Article 28 The Board of Directors shall prepare the following documents and submit them to the general shareholders' meeting for ratification as per the procedures required by law:
- I. Business Report.
 - II. Financial Statements.
 - III. A statement of earnings distribution or deficit compensation.
- Article 29 Where the Company makes a profit for a fiscal year, it shall appropriate **no lower than 1%** of the balance for employee remuneration, which shall be distributed in the form of stock or cash by the resolution of the Board of Directors, and the recipients include employees at subsidiaries who meet certain criteria; and appropriate **no higher than 2%** for directors' remuneration. The employee remuneration and directors' remuneration proposal shall be reported to the shareholders' meeting. However, if the Company still has a cumulative deficit, it shall reserve an amount for offsetting the deficit in advance and then appropriate

employee remuneration and directors' remuneration at the percentages in the preceding paragraph.

- Article 29-1 The industry to which the Company belongs is highly competitive and ever-changing, and the Company is in a stage of steady growth. To be aligned with the Company's future capital needs, long-term financial plan, and shareholders' needs for cash inflows, if the Company has a profit for a fiscal year as per the annual financial statements, the profit shall be first used for paying the profit-seeking enterprise income tax, offsetting a cumulative deficit, appropriating 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, and then appropriating an amount for or reversing a special reserve in accordance with laws and regulations, and then any remaining profit, together with any undistributed retained earnings from the prior years, as distributable earnings shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution. Among them, cash dividends shall not be lower than 10% of the total shareholder dividends to be paid out, and the percentage may be determined by the Board of Directors depending on the year's profit and capital based on the capital expenditure and business expansion needs.
- All or part of the shareholder dividends mentioned in the preceding paragraph, the legal reserve appropriated, or capital surplus provided to pay out cash shall be carried out by the resolution adopted by more than half of all directors present at a board meeting attended by two-thirds or more of all directors as delegated, while being reported to the shareholders' meeting.

- Article 29-2 The recipients of the Company's employee treasury shares, employee stock warrants, employee remuneration, new shares subscribed for by employees, and restricted stock awards may include employees at the controlling company or subsidiaries who meet certain criteria.

Chapter 7 Supplementary Provisions

- Article 30 The Company's organizational charters and enforcement rules shall be formulated separately by the Board of Directors.
- Article 31 The limit on the Company's investment in other businesses is not regulated by Article 13 of the Company Act (the investment shall not exceed 40% of a company's paid-in share capital).
- Article 32 Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.
- Article 33 The Articles of Incorporation was formulated on November 23, 1981.
The 1st amendment was made on May 4, 1982.
The 2nd amendment was made on June 15, 1985.
The 3rd amendment was made on June 9, 1987.
The 4th amendment was made on May 1, 1991.
The 5th amendment was made on October 14, 1994.
The 6th amendment was made on September 6, 1997.
The 7th amendment was made on December 20, 1997.
The 8th amendment was made on May 9, 1998.
The 9th amendment was made on May 15, 1999.
The 10th amendment was made on May 5, 2000.
The 11th amendment was made on April 9, 2001.
The 12th amendment was made on June 20, 2002.
The 13th amendment was made on June 18, 2003.
The 14th amendment was made on January 16, 2004.
The 15th amendment was made on June 10, 2005.

The 16th amendment was made on June 12, 2006.
The 17th amendment was made on June 10, 2009.
The 18th amendment was made on June 10, 2010.
The 19th amendment was made on June 10, 2011.
The 20th amendment was made on June 13, 2012.
The 21st amendment was made on June 11, 2013.
The 22nd amendment was made on June 11, 2015.
The 23rd amendment was made on June 8, 2016.
The 24th amendment was made on June 8, 2017.
The 25th amendment was made on June 10, 2019.
The 26th amendment was made on July 29, 2021.
The 27th amendment was made on May 31, 2022.

Excel Cell Electronic Co., Ltd.

Chairman: Liao Pen-Lin

EXCEL CELL ELECTRONIC CO., LTD.
Shareholdings of Directors

May 31, 2024

Title	Name	Date elected	Term	Number of shares held when elected		Number of shares currently held	
				Number of shares	Share holding (%)	Number	Share holding (%)
Chairman	Liao Pen-Lin	May 31, 2022	3 years	7,339,548	6.73	7,339,548	6.73
Director	Hsiao Teng-Tang	May 31, 2022	3 years	6,745,729	6.18	6,745,729	6.18
Director	Liao Pen-Tien	May 31, 2022	3 years	1,594,935	1.46	1,594,935	1.46
Director	Liao Yueh-Shiang	May 31, 2022	3 years	1,185,389	1.09	1,185,389	1.09
Director	Hsu, Min-Cheng	May 31, 2022	3 years	30,000	0.03	30,000	0.03
Independent Director	Hsu Ching-Tao	May 31, 2022	3 years	-	-	-	-
Independent Director	Chen Hsiang-Ning	May 31, 2022	3 years	-	-	-	-
Independent Director	Terry Chiang	May 31, 2022	3 years	-	-	-	-
Independent Director	Chiu, Chuan-Tzu	May 31, 2022	3 years	-	-	-	-

Notes:

- I. The total number of the Company's issued shares is 109,093,807. As per the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the legal minimum number of shares held by all directors should be 8,000,000.
- II. The Company has established the Audit Committee, with the three independent directors serving as the committee members. Therefore, no supervisor is engaged, and the regulation that the number of shares held by supervisors shall not be fewer than a certain percentage does not apply.

Details of the Shareholder Written Proposals Not Included in the General Shareholders' Meeting Agenda

Details of shareholder proposals for this general shareholders' meeting:

- Details: 1. As per Article 172 of the Company Act, each shareholder who holds 1% or more of the total issued shares may submit a written proposal to the Company for the general shareholders' meeting, covering only one issue, without exceeding 300 words.
2. The period of accepting such proposals for the general shareholders' meeting was from March 22, 2024 through April 2, 2024 and has been announced on the MOPS as per law.
3. The Company does not receive any shareholder proposal.