

Stock Code : 3535

# Favite, Inc.

## 2025 Annual Shareholders' Meeting Meeting Handbook (Translation)



**Date: May 29, 2025**

**Time: Thursday, May 29, 114 at 9 a.m.**

**Location: No. 197, Section 2, Huanbei Road, Zhubei City, Hsinchu County**

**Convening method: physical shareholders' meeting**

### **Important Disclaimer**

This English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

# Table of Contents

	Page
I. MEETING PROCEDURE.....	2
II. MEETING AGENDA.....	3
<b>Report Items</b> .....	<b>4</b>
<b>Ratification Items</b> .....	<b>5</b>
<b>Discussion Items</b> .....	<b>6</b>
<b>Election Items</b> .....	<b>6</b>
<b>Other proposals</b> .....	<b>7</b>
<b>Extemporary Motions</b> .....	<b>8</b>
III. ATTACHMENTS .....	9
<b>1. 2024 Business report</b> .....	<b>9</b>
<b>2. Audit Committee’s Review Report</b> .....	<b>15</b>
<b>3. Independent Auditors’ Report and 2024 Parent Company Only         Financial Statements</b> .....	<b>16</b>
<b>4. Independent Auditors’ Report and 2024 Consolidated Financial         Statements</b> .....	<b>26</b>
<b>5. Statement of Profit Distribution</b> .....	<b>36</b>
<b>6. The Comparison Table for the Articles of Incorporation Of the         Original and the Amended Articles</b> .....	<b>37</b>
<b>7 List of Nominations by The Board of Directors</b> .....	<b>38</b>
<b>8. Lifting the Non-Compete Clause for the Directors</b> .....	<b>40</b>
IV. APPENDIX .....	41
<b>1. Articles of Incorporation (before amendment)</b> .....	<b>41</b>
<b>2. Rules of Procedure for Shareholders Meetings</b> .....	<b>47</b>
<b>3. Rules of Procedures for the Selection of Directors</b> .....	<b>60</b>
<b>4.Shareholding and Minimum Number of Shares Required to be         held of Directors</b> .....	<b>63</b>

## **I. Meeting Procedure**

### **Favite, Inc.**

#### **2025 Annual Shareholders' Meeting Procedure**

1. Meeting Commencement Announced
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Discussion Items
6. Election Items
7. Other proposals
8. Extraordinary Motions
9. Adjournment

## **II. Meeting Agenda**

Time: 9:00 a.m., May 29, 2025 (Thursday)

Place: No.197, Sec.2, Huanbei Rd., Zhubei City, Hsinchu County 302047, Taiwan  
(R.O.C.)

Shareholders' meetings will be held in person

1. Meeting Commencement Announced
2. Chairman's Address
3. Report Items
  - (1) Business report of 2024.
  - (2) Audit Committee's Review Report of 2024.
  - (3) Report on 2024 Employees' Compensation and Remuneration of Directors.
4. Ratification Items
  - (1) 2024 Business Report and Financial Statements.
  - (2) Distribution of 2024 Retained Earnings.
5. Discussion Items
  - Amendment to the Articles of Incorporation.
6. Election Items
  - Comprehensive re-election of directors.
7. Other proposals
  - Release the Prohibition on New Directors from Participation in Competitive Business.
8. Extraordinary Motions
9. Adjournment

## Report Items

Proposal 1 : Business report of 2024.

Explanation : For the Company's 2024 Business Report, please refer to Attachment 1 of this handbook (Page 9-Page 14).

Proposal 2 : Audit Committee's Review Report of 2024.

Explanation : 2024 Audit Committee's Review Report, Please refer to Attachment 2 of this handbook ( Page 15).

Proposal 3 : Report on 2024 Employees' Compensation and Remuneration of Directors.

Explanation : 

1. Pursuant to Article 19 of the Company's Articles of Association, if the Company makes a profit in a year, 10% shall be allocated as employee remuneration and no more than 2% as director remuneration.
2. The employees' compensation and Directors' remuneration for 2024 were resolved by the Board of Directors on March 7, 2025.
  - (1) 10% is set aside as the employees' compensation, a total amount of NT\$ 6,192,273.
  - (2) 2% is set aside as the Directors' remuneration, a total amount of NT\$ 1,238,455.
  - (3) The mentioned compensation and remuneration shall be distributed in cash.

Note: There is no difference between the assessed amounts and distributed amounts of employees' compensation and Directors' remuneration.

## Ratification Items

Proposal 1 : 2024 Business Report and Financial Statements. Approval is respectfully requested. **【Proposed by the Board of Directors】**

Explanation : 1. The Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements of the Company in 2024 were approved at the Board of Directors meeting on March 7, 2025 and verified by the Audit Committee and the review report was issued accordingly. The Parent Company Only Financial Statements and Consolidated Financial Statements of the Company in 2024 have been audited by the CPAs of Deloitte Taiwan, Li-Su Fang and Dong-Hui Yeh.

2. For the Business Report, Independent Auditors' Report and financial statement, please refer to Attachment 1 (Page 9-Page 14), Attachment 3 (Page 16-Page 25), Attachment 4 (Page 26-Page 35) of this handbook.

Resolution :

Proposal 2 : Distribution of 2024 Retained Earnings. Approval is respectfully requested. **【Proposed by the Board of Directors】**

Explanation : 1. The Company's 2024 Earnings Distribution Table was approved by the Board of Directors on March 7, 2025.

2. The proposed 2024 Statement of Profit Distribution, please refer to Attachment 5 of this handbook. (page 36).

3. Shareholder dividends : Cash dividends will be distributed by NT\$ 0.5 per share. After approval by the 2025 annual shareholders' meeting, the chairman will be authorized to set a new dividend base date for distribution.

4. Cash dividends shall be calculated based on the distribution ratio up to the nearest whole number, and the fractional balance less than NT\$ 1 shall be summed up and recognized as other income of the Company.

5. If the company's share capital changes in the future, affecting the number of outstanding shares and causing a change in the dividend rate for shareholders, we intend to ask the Shareholders Meeting to authorize the chairman to handle the matter with full authority.

Resolution :

## **Discussion Items**

Proposal 1 : Amendment to the Articles of Incorporation and submit them for resolution. 【Proposed by the Board of Directors】

- Explanation :
1. It is proposed to make partial amendment of the “Articles of Incorporation” of the Company in accordance with the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act.
  2. The Comparison Table for Content of Articles Before and After Revisions, please refer to Attachment 6 of this handbook (Page 37).

Resolution :

## **Election Items**

Proposal 1 : The comprehensive re-election of directors is submitted for election. 【Proposed by the Board of Directors】

- Explanation :
1. The term of office of this board of directors will end on June 23, 2025, and it is planned to carry out a comprehensive re-election in advance in conjunction with the 2025 Shareholders Meeting.
  2. In accordance with Article 13 of the Articles of Association, 9 directors (including 4 independent directors) shall be elected, and the candidate nomination system shall be adopted in accordance with Article 192-1 of the Company Law and the Articles of Association.
  3. The term of office of the new directors is from May 29,

2025 to May 28, 2028, and the term of office of the former directors shall end when the 2025 Shareholders Meeting is completed.

4. This election is conducted in accordance with the "Director Election Procedure" of the Company.
5. The candidates for the 10th Board of Directors have been confirmed by the 18th Meeting of the 9th Board of Directors on April 18, 2025. For the list of candidates for directors, please refer to Attachment 7 of this handbook (pages 38 to 39).
6. Request for election.

Election :  
results

### **Other proposals**

Proposal 1 : Release the Prohibition on Directors from Participation in Competitive Business. Approval is respectfully requested.  
【Proposed by the Board of Directors】

Explanation : 1. According to Article 209 of the Company Law, "When a director or others take actions that fall within the scope of the company's business, he or she shall explain the important contents of his or her actions to shareholders and obtain their permission."  
2. It is proposed to request the shareholders' meeting to agree to lift the non-competition restrictions on the directors and their representatives elected by the 2025 Shareholders Meeting of the company, so as to facilitate the expansion of the scale of operations in the future.  
3. For details of the positions of the new directors, their representatives and independent directors to lift the non-competition restrictions, please refer to Attachment 8 (page 40) of this handbook.

Resolution :

## **Extemporary Motions**

## **Adjournment**

### **III. Attachments**

<Attachment 1>

#### **Favite, Inc. Business report**

##### **I. 2024 Operating results**

##### **i. Company Overview**

In 2024, the global economy continued the trend of the previous year, inflation gradually cooled down, but major consumer markets such as Europe, the United States and China are still facing an overall economic malaise, and the overall economic situation of major display panel brand manufacturers is uncertain, but the consumption boom has not fully recovered, even if the inventory continues to improve, the attitude of pulling goods is still conservative, so that the display panel factory customers strictly control the inventory, revise the utilization rate and reduce capital expenditure, and the overall revenue of Favite has become 50%, externally, the overall economy is expected to grow moderately in the coming year, which is expected to drive the continuous growth of Favite's revenue.

Paying attention to the high labor costs of customers and the global demand for carbon reduction, Favite continues to invest the accumulated R&D energy in the past into the application of AI AOI, replacing manpower as much as possible with the latest AI technology, and achieving the goal of industrial inspection automation. In addition, Micro LED is also a new field of display that is highly concerned by the market after OLED, and the company has developed a variety of products in the whole process segment in the past year, and is expected to become the main product in the next stage of the display industry. Favite not only pursues short-term expansion of revenue and market share, but also establishes more cooperation opportunities with leading factory customers, including the promotion of new technologies and the transformation and upgrading of equipment in the future. Focusing on the future, we will continue to focus on the layout of testing equipment, and balance and control the risk of industrial fluctuations with more diversified market distribution and product portfolio.

## ii. Business Performance

Unit: NT\$ thousands

Item	2024	2023	Growth Rate (%)
Operating revenues	667,587	445,675	49.79
Gross profit	317,400	202,952	56.39
Operating income	25,474	(19,412)	231.23
Net income before income tax	54,446	(10,580)	614.61
Net income after income tax	54,492	(33,001)	265.12

## iii. Financial income and expenditure and profitability analysis

### 1. Financial income and expenditure

The Company's current ratio for 2024 were 413.03% and the quick ratio was 358.80%, indicating that the solvency was still acceptable.

### 2. Profitability

Item		%
Profitability	Return on assets (%)	4.19
	Return on equity (%)	4.82
	Profit before tax to paid-in capital (%)	6.89
	Net profit ratio (%)	8.16
	Earnings per share (NT\$)	0.69

## iv. Research Development

The main R&D achievement of this year is the Horus intelligent optical inspection and measurement machine, which is a product that integrates AI detection, defect re-judgment, classification, and automatic 2D/3D measurement in one machine compared with traditional AOI, and is suitable for process quality inspection of wafer, PCB substrate, packaging and other products.

## II. Summary of the 2025 business plan

### i. Management policy

Since its establishment, Favite has used original algorithms and the latest AI technology to provide customers with intelligent, accurate and high-speed machine vision inspection solutions, and is determined to become the quality guardian of the technology manufacturing industry and synonymous with AOI. Provide customers with automatic optical inspection and measurement equipment that best meets the benefits of production yield quality management, as well as comprehensive yield management solutions. With intelligence, efficiency and innovative services as the strategic goal of new products, and with the responsibility of becoming the guardian of industrial production quality, we will create common value and win-win benefits for customers, employees and shareholders.

**ii. Expected sales volume and basis**

Favite is committed to the research and development in the field of machine vision, as a leading manufacturer of optical inspection equipment, over the years continue to attach importance to research and development and patent layout, in the TFT LCD/LTPS/AMOLED display industry has paid excellent results, in recent years, in semiconductors, PCB, Mini/Micro LED and other professional fields, to provide customers with high-precision, high-quality automatic optical inspection and measurement equipment and its factory production line defect detection and yield monitoring complete solutions. In the past year, the panel industry has been slowly improving, and display panel customers are still strictly controlling inventory and utilization rate, resulting in a considerable degree of impact on the progress of flat panel display equipment. In addition to the mature TFT LCD, the company also grasped the pulse of the display industry, developed the testing equipment of e-paper in a timely manner, and continued to cooperate with well-known Micro LED pioneers to introduce it; At the same time, it has also stepped into the IC substrate industry, and even semiconductor front-end testing equipment. Make up for the decline in the display field as much as possible and diversify operational risks.

**iii. Important production and marketing policies**

1. We will continue to adhere to the long-term cultivation of the TFT LCD display field, continuously improve product capabilities, and combine AI technology to provide customers with more efficient solutions. In addition to the Array/Color filter in the early stage, it also uses AI technology to provide yield management solutions to alleviate the impact of labor shortages under the epidemic. This year, in line with the customer's product update, we made a plan for the transformation of the e-paper production line.
2. Effectively use the company's existing R&D resources and achievements, based on the core optics, detection, mechanism and electronic control technology of automatic optical inspection, continue to focus on high value-added products, and develop new application markets. In the last year, certain R&D achievements have been made in the fields of advanced packaging and testing, Micro LED display, semiconductors, etc., and have been successively introduced into customer production or experimental lines. We look forward to working more closely with our customers and testing them in the coming year, with a view to getting into mass production faster.
3. Change the face-to-face marketing strategy of a single market in the past, adopt the way of multi-industry exhibitions, enhance the company's visibility in different fields, and actively participate in industry forums, establish and maintain cooperative relations with partners, customer groups, suppliers and other related groups, strive to deepen the customer base, solve the real production quality problems of customers from a professional point of view, enhance the adhesion of customers to the company, expand the business scope and the proportion of new markets, and maintain the company's long-term growth and development goals.
4. In terms of business development, the business team overcame difficulties and visited key customers in person as much as possible, tried their best to maintain customer relationships, and at the same time used digital tools to actively maintain close contact with customers, and used online collaboration to achieve the goal of both gross profit and net profit growth.
5. Although revenue has just returned to the growth track, the company continues to invest resources in basic R&D and education and training to improve the

knowledge and management skills of colleagues. In addition to the basic education and training for several consecutive years, the introduction of internal and external lecturers, the development of basic science, applied science, management science and other courses, the use of online courses during the epidemic, in addition to strengthening the depth of knowledge, but also pay more attention to the breadth of knowledge, R&D personnel and actively participate in various domestic and overseas advanced technology trend forums, absorb learning and pay attention to the market opportunities of related advanced processes.

**iv. Company Future Development Strategy**

Favite has always adhered to the policy of "technological innovation, stable quality, efficiency improvement, and customer satisfaction", and uses machine vision and AI technology to provide various automated detection and measurement solutions in the field of industrial manufacturing, with the responsibility of becoming the guardian of manufacturing quality. Continue to focus on the research and development of advanced testing equipment, integrate the professional technology of optics, mechanism, electronic control and testing software, and continuously introduce higher-level AOI equipment, and gradually accumulate stable market share and market positioning of high-end products of automatic optical inspection machines. In addition to consolidating the company's existing market, it actively invests in the application of machine vision in various fields, strengthens artificial intelligence and big data analysis, and provides customers with high-efficiency all-round industrial automation measurement solutions.

1. With customer satisfaction as the ultimate goal, it is implemented in all business links. Understand and empathize with the real needs of customers, give full play to the creativity of R&D, production and manufacturing, provide products that they really think are high-quality, and meet customer needs at a level higher than what customers expect, so that customers can be pleasantly surprised.
2. Value-based products based on new technologies are introduced into emerging markets, solve the yield management problems of new markets, assist customers to quickly improve production yields, and jointly create high-value commodities to achieve a win-win situation.
3. Perform technology upgrades and capacity upgrades on existing product lines to improve customers' production efficiency while achieving stable revenue and profits.
4. Establish and expand good and stable partnerships with domestic and foreign, upstream and downstream manufacturers, join forces, establish cooperative teams, create common growth trends, and achieve win-win value.
5. Establish cell service teams in various regions, flexibly form teams, and achieve multi-functional and rapid on-site services. Satisfy customers, improve adhesion, and maintain the long-term mutual interests of business partners.
6. Continuously optimize the production quality management system, improve the efficiency of each stage of the production process, and achieve the comprehensive benefits of speed and quality improvement, efficiency improvement, and cost reduction.
7. Continue to cultivate professional and technical talents and management talents, improve the organizational reward system, and build a team that wants to win for itself.

**v. Impacts of External Competitive Environment, Legal Environment, and the Overall Operating Environment**

1. External Competitive Environment

The entire panel industry has been affected by the epidemic and the closure of several large panel factories in the past three years, and the overall environment and demand situation have bottomed out at the end of last year according to the forecast provided by the market research agency, and it is expected to slowly begin to recover and rebound in 2025, although Mainland China is not as good as the panel market in the past. In good times, there are many cases of large-scale factory construction, but there is still a demand for factory expansion, including LCD and OLED panels, so in the expansion of the factory and line expansion of this part is Favite has the opportunity and actively strives for, in addition, in response to the demand for capacity improvement and new products and new processes, many panel factory customers in Mainland China and Taiwan also continue to purchase new machines or old machines for software and hardware upgrades, because the company's equipment shipments in the past are large, and long-term customer support and affirmation, This part of the order has a high degree of mastery.

2. Regulatory environment

On the premise of complying with laws and regulations, integrity and discipline, Favite tracks changes in laws and regulations, evaluates and revises internal regulations and the formulation and implementation of compliance plans at any time, so as to actively respond to changes in various regulatory environments. In addition, we arrange compliance education and training to enable employees to understand the laws and regulations related to the business and make correct business and ethical judgments. At the same time, we actively understand the various industrial upgrading and R&D incentive programs of the government, and complete the goal of industrial upgrading together with the assistance of the government.

3. General business environment

In addition to the traditional panel equipment AOI, Favite continues to work hard and pay attention to new display technologies, especially in Micro LED, the overall market size and growth until 2026 and even 2027 is still very promising, the market in the field of Micro LED capital investment warming trend, upstream, midstream and downstream integration and process and quality optimization, in this integration process, LED and panel manufacturers will look for their non-specialized field of AOI measurement equipment manufacturers to cooperate, With its long-term and deep-rooted professional and technical capabilities in detection and measurement, Favite has launched a series of measurement and measurement equipment solutions in the Micro LED production process, and has successfully won the favor and affirmation of several important customers with deep index significance, and a full range of measurement and measurement solution planning, including Epiwafer/LED quality inspection in the upstream, to the complex mass transfer in the midstream and LED appearance defect detection and position accuracy measurement after bumping. It is believed that the follow-up with the expansion of new experimental lines and new production capacity of customers on both sides of the strait will help expand the revenue of Favite in

Micro LED projects in the future.

In addition, Micro OLED is another new type of display technology, the OLED luminescence principle is applied to micron-level chips to achieve higher resolution, brightness and contrast, but also has lower energy consumption and thinner characteristics, is expected to occupy a place in the AR/VR market in the next few years, and began to increase under the impetus of China's manufacturers, and is expected to be the same as Micro LED by 2027. Based on its past experience in panel-level OLED AOI and semiconductor wafer AOI, Favite has successfully established AOI product lines for Micro OLED front-end processes, such as Inline AOI, Offline AOI, Mask AOI, and post-lamination AOI, and has received new AOI equipment orders from target customers in mid-2023. With the construction of new production capacity for Micro OLED Mainland customers in 2024~2025, it is believed that the Micro OLED project can contribute to the revenue of Favite in 2025.

As for the semiconductor market, the advanced packaging process including FOWLP (fan-out wafer-level packaging), 2.5D/3D packaging and FOPLP (fan-out panel level packaging) derived from the related inspection and measurement equipment is a project that Favite continues to pay attention to and invests in development, according to Yole Development's statistics, fan-out packaging technology is the fastest-growing advanced packaging technology, with a growth rate of 19%. By 2024, the market size for fan-out packages is expected to exceed \$3.8 billion. Through the accumulation of mass measurement technology and experience in Micro LED measurement equipment, Favite has advanced and optimized, and launched FOWLP and FOPLP Die Location measurement machines, which provide high-precision measurement functions for the position of chips on the Carrier. In addition, in the Chip last/Die face down process, the multi-layer RDL lines are stacked on the glass substrate first, and then the chip is placed on it to connect with the I/O contacts, and the FOPLP RDL Fine Line AOI developed by Favite can correspond to the detection of multi-layer RDL 2 micron fine lines. It is expected that it will be able to seize a place in the business opportunities of higher-level advanced packaging and testing equipment in the future.

In 2025, Favite will continue to deploy measurement and measurement equipment, and balance the fluctuations of a single industry with more diversified market distribution and product portfolio; In the emerging industrial upgrading plan, it has entered many new fields such as semiconductor packaging and testing, substrate testing, etc.; At the same time, we will continue to deepen the flat panel display industry with products and services with higher technical value, further assist customers to improve production capacity and yield, and reduce manufacturing costs. Such a long-term parallel is expected to also lead to more optimized revenue and gross profit performance for Favite. At the same time, we strive to improve ESG and pursue the best interests of the company, the natural environment, society, employees, shareholders, manufacturers, and customers.

Favite, Inc.

Chairman: CHEN, YUNG-HUA

<Attachment 2>

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2024 business report, financial statements, and proposal for allocation of profits. The CPA firm of Deloitte & Touche was retained to audit Favite's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and profit allocation proposal have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To Favite, Inc. 2025 General Shareholders' Meeting

Favite, Inc.

Chairman of the Audit Committee:

Handwritten signature of Hsiang Chi Tseng in black ink.

March 7, 2025

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Favite, Inc.

### **Opinion**

We have audited the accompanying parent company only financial statements of Favite, Inc., which comprise the parent company only balance sheets as of December 31, 2024 and 2023, 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, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Favite, Inc. as of December 31, 2024 and 2023, and the parent company only financial performance and the parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Favite, Inc. 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, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for Favite, Inc.'s parent company only financial statements for the year ended December 31, 2024 is stated as follows:

#### Revenue recognition

Favite, Inc.'s revenue is mainly from the sales and upgrades of automated optical inspection machines, accounting for 98% of the total operating revenue. Please refer to Note 22 for details.

As the revenue from the sales of the merchandise to some clients grew significantly, we listed the recognition of the above revenue as a key audit matter.

1. We reviewed Favite, Inc.'s policy on the recognition of the revenue from the sales of automated optical inspection machines to confirm and evaluate if the relevant internal control measures during sales were effective.
2. We randomly checked the sales details and examined the contracts, external orders, delivery orders, shipping documents, and sales invoices; and learned about the clients' relevant industry backgrounds to confirm the authenticity of the revenue.

### **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 the audit committee, are responsible for overseeing Favite, Inc.'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 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 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 Favite, Inc.'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 Favite, Inc.'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 Favite, Inc. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Favite, Inc. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 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 audit resulting in this independent auditors' report are Su-Li Fang and Tung-Hui Yeh.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2025

Notice to Readers

*The accompanying financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and the parent company only financial statements shall prevail.*

**Favite, Inc.**

**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars)

	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and cash equivalents (Notes 4, 6, and 27)	\$ 186,545	11	\$ 563,045	34				
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 27)	10,197	1	10,049	1				
Financial assets at amortized cost - current (Notes 4, 8 and 27)	445,332	27	-	-				
Contract assets - current (Notes 22 and 28)	105,084	6	133,342	8				
Trade receivables (Notes 4, 9, 22, and 27)	236,315	14	204,902	12				
Current tax assets (Notes 4 and 24)	12,011	1	-	-				
Inventories (Notes 4 and 10)	123,785	7	214,796	13				
Other current assets (Note 15 and 27)	30,994	2	23,111	1				
Total current assets	<u>1,150,263</u>	<u>69</u>	<u>1,149,245</u>	<u>69</u>				
<b>NON-CURRENT ASSETS</b>								
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 27)	3,201	-	3,815	-				
Financial assets at amortized cost - non-current (Notes 4, 8 and 27)	2,900	-	-	-				
Investments accounted for using the equity method (Notes 4 and 11)	39,122	3	40,745	3				
Property, plant and equipment (Notes 4, 12, and 29)	412,133	25	408,094	25				
Right-of-use assets (Notes 4 and 13)	3,614	-	5,109	-				
Intangible assets (Notes 4 and 14)	8,901	1	9,528	1				
Deferred tax assets (Notes 4 and 24)	36,696	2	39,905	2				
Other non-current assets (Note 15 and 27)	1,416	-	2,815	-				
Total non-current assets	<u>507,983</u>	<u>31</u>	<u>510,011</u>	<u>31</u>				
<b>TOTAL</b>	<u>\$ 1,658,246</u>	<u>100</u>	<u>\$ 1,659,256</u>	<u>100</u>				
<b>LIABILITIES AND EQUITY</b>								
<b>CURRENT LIABILITIES</b>								
Contract liabilities - current (Note 22)	48,002	3						
Trade payables (Note 17 and 27)	54,962	3	104,980	6				
Other payables (Note 18 and 27)	80,790	5	76,787	5				
Payable to employees compensation and remuneration of directors and supervisors (Note 23)	7,431	-	7,577	1				
Other payables to related parties (Note 27 and 28)	28,118	2	19,856	1				
Current tax liabilities (Notes 4 and 24)	-	-	11,819	1				
Provisions - current (Notes 4 and 19)	63,539	4	66,206	4				
Lease liabilities - current (Notes 4, 13, and 27)	1,498	-	1,467	-				
Current portion of long-term borrowings (Notes 16, 27, and 29)	12,870	1	37,458	2				
Other current liabilities (Note 18)	5,424	-	5,952	-				
Total current liabilities	<u>302,634</u>	<u>18</u>	<u>332,110</u>	<u>20</u>				
<b>NON-CURRENT LIABILITIES</b>								
Long-term borrowings (Notes 15, 27, and 29)	185,543	11	216,853	13				
Deferred tax liabilities (Notes 4, and 24)	5,027	1	-	-				
Lease liabilities - non-current (Notes 4, 13, and 27)	2,175	-	3,673	-				
Net defined benefit liability - non-current (Notes 4 and 20)	3,051	-	3,877	1				
Guarantee deposits received (Notes 27)	6	-	6	-				
Total non-current liabilities	<u>195,802</u>	<u>12</u>	<u>224,409</u>	<u>14</u>				
Total liabilities	<u>498,436</u>	<u>30</u>	<u>556,519</u>	<u>34</u>				
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)</b>								
Share capital								
Ordinary share	790,523	48	790,523	47				
Capital surplus	98,490	6	98,490	6				
Retained earnings								
Legal reserve	52,957	3	52,957	3				
Special reserve	5,294	-	4,550	-				
Unappropriated earnings	215,769	13	161,511	10				
Other equity	( 3,233 )	-	( 5,294 )	-				
Total equity	<u>1,159,810</u>	<u>70</u>	<u>1,102,737</u>	<u>66</u>				
<b>TOTAL</b>	<u>\$ 1,658,246</u>	<u>100</u>	<u>\$ 1,659,256</u>	<u>100</u>				

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

## Favite, Inc.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings/ (Loss) Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22, and 28)	\$ 652,199	100	\$ 433,110	100
OPERATING COSTS (Notes 10, 20, and 23)	<u>350,186</u>	<u>54</u>	<u>238,611</u>	<u>55</u>
GROSS PROFIT	<u>302,013</u>	<u>46</u>	<u>194,499</u>	<u>45</u>
OPERATING EXPENSES (Notes 14, 20, 23, and 28)				
Selling and marketing expenses	37,868	6	18,708	4
General and administrative expenses	80,526	12	77,509	18
Research and development expenses	153,768	24	183,440	43
Expected credit loss (gain) (Notes 9 and 22)	<u>495</u>	<u>-</u>	<u>(61,114)</u>	<u>(14)</u>
Total operating expenses	<u>272,657</u>	<u>42</u>	<u>218,543</u>	<u>51</u>
PROFIT/ (LOSS) FROM OPERATIONS	<u>29,356</u>	<u>4</u>	<u>(24,044)</u>	<u>(6)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 23)				
Interest income	9,940	2	13,964	3
Other income	131	-	316	-
Other gains or losses	24,048	4	1,398	-
Financial costs	( 5,289 )	( 1 )	( 6,924 )	( 1 )
Share of gain of subsidiaries (Note 11)	<u>(3,694)</u>	<u>(1)</u>	<u>4,662</u>	<u>1</u>
Total non-operating income and expenses	<u>25,136</u>	<u>4</u>	<u>13,416</u>	<u>3</u>
PROFIT/ (LOSS) BEFORE INCOME TAX	54,429	8	( 10,628 )	( 3 )
INCOME TAX EXPENSE (Notes 4 and 24)	<u>-</u>	<u>-</u>	<u>22,373</u>	<u>5</u>
NET PROFIT/ (LOSS) FOR THE YEAR	<u>54,429</u>	<u>8</u>	<u>(33,001)</u>	<u>(8)</u>

(Continued)

**Favite, Inc.**

**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Except Earnings/ (Loss) Per Share)**

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	\$ 510	-	(\$ 93)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations (Notes 4 and 21)	<u>2,071</u>	<u>1</u>	( <u>744</u> )	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>2,581</u>	<u>1</u>	( <u>837</u> )	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 57,073</u>	<u>9</u>	( <u>\$ 33,838</u> )	( <u>8</u> )
EARNINGS/ (LOSS) PER SHARE (Note 25)				
Basic	<u>\$ 0.69</u>		( <u>\$ 0.42</u> )	
Diluted	<u>\$ 0.69</u>		( <u>\$ 0.42</u> )	

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

(Concluded)

**Favite, Inc.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings					Other Equity		Total Equity
	Share (Thousands)	Amount	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations			
BALANCE AT JANUARY 1, 2023	79,052	790,523	98,490	24,610	5,045	301,509	( 4,550 )		1,215,627	
Appropriation of 2022 earnings										
Legal reserve	-	-	-	28,347	-	( 28,347 )	-	-	-	
Special reserve	-	-	-	-	( 495 )	495	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	( 79,052 )	-	-	( 79,052 )	
Net loss for the year ended December 31, 2023	-	-	-	-	-	( 33,001 )	-	-	( 33,001 )	
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	( 93 )	( 744 )	( 837 )		
BALANCE AT DECEMBER 31, 2023	79,052	790,523	98,490	52,957	4,550	161,511	( 5,294 )		1,102,737	
Appropriation of 2023 earnings										
Special reserve	-	-	-	-	744	( 744 )	-	-	-	
Net profit for the year ended December 31, 2024	-	-	-	-	-	54,492	-	-	54,492	
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	510	2,071	2,581		
BALANCE AT DECEMBER 31, 2024	79,052	\$ 790,523	\$ 98,490	\$ 52,957	\$ 5,294	\$ 215,769	( \$ 3,223 )		\$ 1,159,810	

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

## Favite, Inc.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income /(Loss) before income tax	\$ 54,492	( \$ 10,628 )
Adjustments for:		
Depreciation expense	10,950	11,446
Amortization expense	2,919	2,498
Expected credit loss (reversed) recognized on trade receivables	495	( 61,114 )
Net loss (gain) the fair value change of financial assets at fair value through profit or loss	466	( 1,424 )
Financial costs	5,289	6,924
Interest income	( 9,940 )	( 13,964 )
Share of loss (profit) of subsidiaries	3,694	( 4,662 )
Loss on disposal of property, plant and equipment	13	4,461
Lease modification benefit	-	( 99 )
Net gain on foreign currency exchange	( 31,792 )	( 15,757 )
Recognition of provisions	6,367	( 3,187 )
Changes in operating assets and liabilities:		
Contract assets	43,748	51,706
Trade receivables	( 21,016 )	289,109
Inventories	102,109	( 32,296 )
Other current assets	( 18,161 )	( 4,084 )
Contract liabilities	47,994	( 4,510 )
Trade payables	( 50,068 )	81
Other payables	8,396	( 58,621 )
Provisions	( 9,034 )	-
Other current liabilities	( 528 )	812
Net defined benefit liability	( 316 )	( 294 )
Payable to employees compensation and remuneration of directors	( 146 )	( 37,727 )
Cash from operations	136,333	117,369
Interest received	9,013	14,375
Interest paid	( 5,300 )	( 6,996 )
Income tax paid	( 4,389 )	( 42,141 )
Net cash generated from operating activities	<u>135,657</u>	<u>82,607</u>

(Continued)

## Favite, Inc.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	( \$ 448,232 )	\$ -
Purchase of financial assets at fair value through profit or loss	-	( 10,000 )
Payments of property, plant and equipment	( 12,592 )	( 2,782 )
Increase in refundable deposits	( 1,552 )	( 3,002 )
Decrease in refundable deposits	2,978	585
Payments for intangible assets	( 2,264 )	( 1,332 )
Decrease in other financial assets	-	<u>23,306</u>
Net cash generated (used in) from investing activities	( <u>461,662</u> )	<u>6,775</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	92,000	80,000
Repayments of short-term borrowings	( 92,000 )	( 230,000 )
Repayment of long-term borrowings	( 55,898 )	( 41,305 )
Refund of guarantee deposits received	-	( 300 )
Repayment of the principal portion of lease liabilities	( 1,467 )	( 1,391 )
Dividends paid to owners of the Company	-	( <u>79,052</u> )
Net cash used in financing activities	( <u>57,365</u> )	( <u>272,048</u> )
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>6,870</u>	<u>831</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	( 376,500 )	( 181,835 )
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>563,045</u>	<u>744,880</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>\$ 186,545</u>	<u>\$ 563,045</u>

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

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Favite, Inc.

### Opinion

We have audited the accompanying consolidated financial statements of Favite, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated financial statements for the year ended December 31, 2024. 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.

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

#### Revenue recognition

The Company's revenue is mainly from the sales and upgrades of automated optical inspection machines, accounting for 98% of the total operating revenue. Please refer to Note 22 for details. As the revenue from the sales of the merchandise to some clients grew significantly, we listed the recognition of the above revenue as a key audit matter.

1. We reviewed the Company's policy on the recognition of the revenue from the sales of automated optical inspection machines to confirm and evaluate if the relevant internal control measures during sales were effective.
2. We randomly checked the sales details and examined the contracts, external orders, delivery orders, shipping documents, and sales invoices; and learned about the clients' relevant industry backgrounds to confirm the authenticity of the revenue.

#### **Other Matter**

We have also audited the parent company only financial statements of Favite, Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 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 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 Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

3. 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
4. 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.
5. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
6. 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 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 Company to cease to continue as a going concern.
7. 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.
8. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company 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, 2024, 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 Su-Li Fang and Tung-Hui Yeh.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2025

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

**Favite, Inc. and Subsidiaries**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars)

	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and cash equivalents (Notes 4, 6, and 27)	\$ 19,401	12	\$ 599,740	36	\$ 48,002	3	\$ 8	-
Financial assets at fair value through profit or loss - current (Notes 4, 7, and 27)	10,197	1	10,049	1	54,962	3	105,317	6
Financial assets at amortized cost - current (Notes 4, 8, and 27)	445,332	27	-	-	88,379	5	84,758	5
Contract assets - current (Notes 22 and 28)	105,084	6	133,342	8	7,431	1	7,577	1
Trade receivables (Notes 4, 9, 22, and 27)	242,545	15	211,565	13	-	-	11,819	1
Current tax assets (Notes 4 and 24)	12,011	1	-	-	63,539	4	66,206	4
Inventories (Notes 4 and 10)	123,785	7	214,796	13	2,194	-	1,836	-
Other current assets (Note 15 and 27)	31,712	2	23,736	1	12,870	1	37,458	2
Total current assets	1,168,067	71	1,193,228	72	5,424	-	5,952	-
<b>NON-CURRENT ASSETS</b>					282,801	17	320,931	19
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 27)	3,201	-	3,815	-	185,543	12	216,853	13
Financial assets at amortized cost - non-current (Notes 4, 8 and 27)	2,900	-	-	-	5,027	1	-	-
Property, plant and equipment (Notes 4, 12, and 29)	412,369	25	408,371	25	3,188	-	3,673	-
Right-of-use assets (Notes 4 and 13)	5,312	1	5,448	1	3,051	-	3,877	1
Intangible assets (Notes 4 and 14)	8,901	1	9,528	1	6	-	15,614	1
Deferred tax assets (Notes 4 and 24)	36,696	2	39,905	2	196,815	12	240,017	15
Other non-current assets (Note 15 and 27)	1,980	-	3,390	-	479,616	29	560,948	34
Total non-current assets	471,359	29	470,457	28	-	-	-	-
<b>TOTAL</b>	\$ 1,639,426	100	\$ 1,663,685	100	\$ 1,639,426	100	\$ 1,663,685	100
<b>LIABILITIES AND EQUITY</b>								
<b>CURRENT LIABILITIES</b>								
Contract liabilities - current (Note 22)								
Trade payables (Note 17 and 27)								
Other payables (Note 18 and 27)								
Payable to employees compensation and remuneration of directors and supervisors (Note 23)								
Current tax liabilities (Notes 4 and 24)								
Provisions - current (Notes 4 and 19)								
Lease liabilities - current (Notes 4, 13, and 27)								
Current portion of long-term borrowings (Notes 16, 27, and 29)								
Other current liabilities (Note 18)								
Total current liabilities								
<b>NON-CURRENT LIABILITIES</b>								
Long-term borrowings (Notes 16, 27, and 29)								
Deferred tax liabilities (Note 4 and 24)								
Lease liabilities - non-current (Notes 4, 13, and 27)								
Net defined benefit liability - non-current (Notes 4 and 20)								
Guarantee deposits received (Notes 27)								
Total non-current liabilities								
Total liabilities								
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)</b>								
Share capital								
Ordinary share								
Capital surplus								
Retained earnings								
Legal reserve								
Special reserve								
Unappropriated earnings								
Other equity								
Total equity								
<b>TOTAL</b>	\$ 1,639,426	100	\$ 1,663,685	100	\$ 1,639,426	100	\$ 1,663,685	100

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

## Favite, Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings/ (Loss) Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22, 28, and 32)	\$ 667,587	100	\$ 445,675	100
OPERATING COSTS (Notes 10, 20, and 23)	<u>350,186</u>	<u>52</u>	<u>242,723</u>	<u>55</u>
GROSS PROFIT	<u>317,401</u>	<u>48</u>	<u>202,952</u>	<u>45</u>
OPERATING EXPENSES (Notes 14, 20, 23, and 28)				
Selling and marketing expenses	37,868	6	18,708	4
General and administrative expenses	80,820	12	77,812	8
Research and development expenses	172,743	26	186,958	42
Expected credit loss (gain) (Notes 9 and 22)	<u>495</u>	<u>-</u>	<u>(61,114)</u>	<u>(14)</u>
Total operating expenses	<u>291,926</u>	<u>44</u>	<u>222,364</u>	<u>50</u>
PROFIT/(LOSS) FROM OPERATIONS	<u>25,475</u>	<u>4</u>	<u>(19,412)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 23)				
Interest income	10,154	1	14,018	3
Other income	230	-	424	-
Other gains or losses	23,903	4	1,323	-
Financial costs	<u>(5,316)</u>	<u>(1)</u>	<u>(6,933)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>28,971</u>	<u>4</u>	<u>8,832</u>	<u>2</u>
PROFIT/(LOSS) BEFORE INCOME TAX	\$ 54,446	8	(\$ 10,580)	(3)
INCOME TAX BENEFIT/(EXPENSE) (Notes 4 and 24)	<u>(46)</u>	<u>-</u>	<u>22,421</u>	<u>5</u>
NET PROFIT/(LOSS) FOR THE YEAR	<u>54,492</u>	<u>8</u>	<u>(33,001)</u>	<u>(8)</u>

(Continued)

## Favite, Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings/ (Loss) Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	510	-	( 93 )	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations (Notes 4 and 21)	<u>2,071</u>	<u>1</u>	( <u>744</u> )	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>2,581</u>	<u>1</u>	( <u>837</u> )	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>\$ 57,073</u>	<u>9</u>	( <u>\$ 33,838</u> )	( <u>8</u> )
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 54,492	8	( \$ 33,001 )	( 7 )
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 54,492</u>	<u>8</u>	( <u>\$ 33,001</u> )	( <u>7</u> )
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 57,073	9	( \$ 33,838 )	( 8 )
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 57,083</u>	<u>9</u>	( <u>\$ 33,838</u> )	( <u>8</u> )
EARNINGS/(LOSS)PER SHARE (Note 25)				
Basic	<u>\$ 0.69</u>		( <u>\$ 0.42</u> )	
Diluted	<u>\$ 0.69</u>		( <u>\$ 0.42</u> )	

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

(Concluded)

**Favite, Inc. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings				Other Equity		Total Equity
	Share (Thousands)	Amount	Capital surplus	Legal Reserve	Special Reserve	(Accumulated Deficit) Unappropriated Earnings	Exchange Differences on Translating Foreign Operations		
BALANCE AT JANUARY 1, 2023	79,052	790,523	98,490	24,610	5,045	301,509	( 4,550 )	1,215,627	
Appropriation of 2022 earnings									
Legal reserve	-	-	-	28,347	-	( 28,347 )	-	-	
Special reserve	-	-	-	-	( 495 )	495	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	( 79,052 )	-	( 79,052 )	
Net loss for the year ended December 31, 2023	-	-	-	-	-	( 33,001 )	-	( 33,001 )	
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	( 93 )	( 744 )	( 837 )	
BALANCE AT DECEMBER 31, 2023	79,052	790,523	98,490	52,957	4,550	161,511	( 5,294 )	1,102,737	
Appropriation of 2023 earnings									
Special reserve	-	-	-	-	744	( 744 )	-	-	
Net profit for the year ended December 31, 2024	-	-	-	-	-	54,492	-	54,492	
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	510	2,071	2,581	
BALANCE AT DECEMBER 31, 2024	79,052	790,523	98,490	52,957	5,294	215,769	( 3,223 )	1,115,910	

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

## FAVITE, INC. AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income/(Loss) before income tax	\$ 54,446	( \$ 10,580 )
Adjustments for:		
Depreciation expense	11,814	12,303
Amortization expense	2,919	2,498
Expected credit loss (reversed) recognized on trade receivables	495	( 61,114 )
Net loss/(gain) the fair value change of financial assets at fair value through profit or loss	466	( 1,424 )
Financial costs	5,316	6,933
Interest income	( 10,154 )	( 14,018 )
Loss on disposal of property, plant and equipment	23	4,500
Lease modification benefit	-	( 99 )
Reversal of write-down of inventories	( 9,598 )	( 1,301 )
Net gain on foreign currency exchange	( 29,429 )	( 16,453 )
Recognition of provisions	6,367	( 3,187 )
Changes in operating assets and liabilities:		
Contract assets	43,748	51,706
Trade receivables	( 20,583 )	288,299
Inventories	102,109	( 32,296 )
Other current assets	( 18,254 )	( 3,733 )
Contract liabilities	47,994	( 4,510 )
Trade payables	( 50,405 )	421
Other payables	( 129 )	( 45,613 )
Provisions	( 9,034 )	-
Other current liabilities	( 528 )	812
Net defined benefit liability	( 316 )	( 294 )
Payable to employees compensation and remuneration of directors and supervisors	( 146 )	( 37,727 )
Cash from operations	127,121	135,123
Interest received	9,227	14,429
Interest paid	( 5,446 )	( 7,005 )
Income tax paid	( 4,353 )	( 42,189 )
Net cash generated from operating activities	<u>126,559</u>	<u>100,358</u>

(Continued)

## Favite, Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	( \$ 448,232 )	\$ -
Purchase of financial assets at fair value through profit or loss	-	( 10,000 )
Payments of property, plant and equipment	( 12,654 )	( 2,887 )
Increase in refundable deposits	( 1,637 )	( 3,072 )
Decrease in refundable deposits	3,103	796
Payments for intangible assets	( 2,264 )	( 1,332 )
Decrease in other financial assets	-	<u>23,306</u>
Net cash generated (used in) from investing activities	( <u>461,684</u> )	<u>6,811</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	92,000	80,000
Repayments of short-term borrowings	( 92,000 )	( 230,000 )
Repayment of long-term borrowings	( 55,898 )	( 41,305 )
Proceeds from guarantee deposits received	-	15,608
Refund of guarantee deposits received	( 15,940 )	( 300 )
Repayment of the principal portion of lease liabilities	( 2,246 )	( 2,140 )
Dividends paid to owners of the Company	-	( <u>79,052</u> )
Net cash used in financing activities	( <u>74,084</u> )	( <u>257,189</u> )
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>6,870</u>	<u>793</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	( 402,339 )	( 149,227 )
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>599,740</u>	<u>748,967</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 197,401</u>	<u>\$ 599,740</u>

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

(Concluded)

<Attachment 5>

**Favite, Inc.**  
**Statement of Profit Distribution**  
**2024**

(Unit: NT\$)

Item		Amount
Unappropriated Earnings, Beginning of Year		160,766,743
Plus: Remeasurement of Defined Benefit Plans Counted in Retained Earnings	510,314	
Plus: Net Profit of 2024	54,492,005	
Net Income of 2024 and other adjustments transferred to retained earnings in 2024		55,002,319
Minus: 10% Legal Reserve Appropriated		(5,500,232)
Plus: Reversed special reserve		2,070,481
Retained Earnings Available for Distribution		212,339,311
Distribution of Shareholder Dividends - Cash (NT\$0.5 per share)		(39,526,178)
Ending Balance of Unappropriated Earnings		172,813,133

**Favite, Inc.**  
**The Comparison Table for the**  
**“Articles of Incorporation”**  
**Of the Original and the Amended Articles**

Article	Original Article	Amended Article	Explanation
Article 19	If the company makes a profit for the year, it shall allocate 10% as employee compensation. The board of directors decides to pay in stocks or cash. The recipients may include subordinate employees who meet certain conditions. The amount of profit that the company is able to open up is determined by the board of directors to approve directors' remuneration not higher than 2%. Employee compensation and Directors' remuneration shall be reported to the shareholders' meeting. However, when the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate employee compensation and directors' remuneration in proportion to the preceding paragraph.	If the company makes a profit for the year, it shall allocate 10% as employee compensation. The board of directors decides to pay in stocks or cash. The recipients may include subordinate employees who meet certain conditions, <u>of which no less than 20% shall be allocated for the distribution remuneration of grassroots employees.</u> The amount of profit that the company is able to open up is determined by the board of directors to approve directors' remuneration not higher than 2%. Employee compensation and Directors' remuneration shall be reported to the shareholders' meeting. However, when the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate employee compensation and directors' remuneration in proportion to the preceding paragraph.	Amended in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act.
Article 21	These Articles of Incorporation were enacted on February 29, 2000. (The following is omitted) The twenty-fourth revision was made on May 29, 2023.	These Articles of Incorporation were enacted on February 29, 2000. (The following is omitted) The twenty-fourth revision was made on May 29, 2023. <u>The twenty-fifth revision was made on May 29, 2025.</u>	Adding amendment date.

## Favite Inc. List of Nominations by The Board of Directors

According to the confirmation and approval of the board of directors of the company on April 18, 2025, the list of candidates for the election of directors (including independent directors) at the Shareholders Meeting is as follows:

Role	Name or title	Gender	Shareholder account number	Shareholding (3.31.2025)	Present position	Education	Major experiences in the last three years	Current positions at other companies
Director	CHEN, YUNG-HUA	Man	1	1,900,813	Chairman of Favite Inc.	Master's, Tatung University Department of Business Management	Chairman of Favite Inc. Chairman of Favite Limited Chairman, Favipc inc. Director, Yield Microelectronics corp.	Chairman of Favite Limited Chairman, Favipc inc. Director, Yield Microelectronics corp.
Director	Utechzone Co., Ltd. Representative: WANG, JEN-CHIEH	Man	39662	10,747,272	The vice president in charge of the automatic control technology department of Utechzone Co., Ltd.	Department of Industrial Management, National Taiwan University of Science and Technology	Associate manager of the automatic control department of Utechzone Co., Ltd. The deputy general manager of the automation technology department of Utechzone Co., Ltd.	None.
Director	Utechzone Co., Ltd. Representative: HSU, CHIH-CHAO	Man	39662	10,747,272	Head of Legal Affairs of Y Utechzone Co., Ltd.	Faculty of Law, National Chengchi University	Head of Legal Affairs of Utechzone Co., Ltd.	None.
Director	LIN, HUNG-JEN	Man	59933	1,394,000	Chairman, Jie Kuen precision technologies Co., Ltd.	Bachelor, Tatung University Department of Mechanical Engineering	Chairman, Jie Kuen precision technologies Co., Ltd. Director, Jie Kuen enterprise Inc.	Director, Jie Kuen enterprise Inc.
Director	SHAN HIS-CHI	Man		0	President of Bright Future Technology Co., Ltd.	Department of Physics, Tsinghua University	President of Bright Future Technology Co., Ltd. President of A3000 System Co., Ltd. Chairman of Qiaosuan Co., Ltd.	President of A3000 System Co., Ltd. Chairman of Qiaosuan Co., Ltd.

Role	Name or title	Gender	Shareholder account number	Shareholding (3.31.2025)	Present position	Education	Major experiences in the last three years	Current positions at other companies
Independent Director	SU, HSING-HWA	Woman		0	Partner of WeTec Internation CPAs Director of New Taipei Branch	Institute of Accounting, National Taipei University	Partner of WeTec Internation CPAs Director of New Taipei Branch. Independent director of BioLASCO Taiwan Co.,Ltd. Member of the audit committee and the remuneration committee of BioLASCO Taiwan Co.,Ltd.	None.
Independent Director	LEE, SHIH-CHENG	Man		0	Professor of Digital Finance, School of Management, Yuan Ze University	Ph.D. in Finance, National Central University	Director of the Digital Finance Research Center of the School of Management, Yuan Ze University. Visiting Research Fellow, University of Ared, Australia. Director, Wetrust technology Co., Ltd.	Director, Wetrust technology Co., Ltd.
Independent Director	WANG, SHU-JANE	Woman	163	0	Head of the Wang, Shu-Jane insurance broker firm.	Institute of Industrial Engineering, Tsinghua University	Head of the Wang, Shu-Jane insurance broker firm. Real estate broke of Junze Development Co., Ltd.	Real estate broker of Junze Development Co., Ltd.
Independent Director	SHEN, HIS-WEN	Man		0	Independent Director Unictron Corporation	Master of Business Administration, Tulane University, USA	Independent Director Unictron Technologies Corporation.	None.

Note: With regard to the provisions of Note 5 of the Checklist on the Qualifications for Appointment of Independent Directors, when appointing independent directors, the list of candidates for independent directors proposed in accordance with the provisions of Article 5, Paragraph 3 of the "Regulations Governing the Establishment and Matters to be Followed by the Board of Directors of Public Companies" and the "Key Points for the Establishment and Exercise of Powers by the Board of Directors of Listed Companies" shall be submitted to the shareholders' meeting for election after the board of directors assesses that they meet the requirements for independent directors. When handling the preceding matters, the qualification documents of the independent directors shall be submitted to the board of directors to confirm the compliance of the nominee and implement the rights and responsibilities of the corporate governance supervisor. The 10th independent director candidates nominated by the Company have all submitted a declaration of nomination of independent directors, a letter of commitment to be appointed as an independent director and relevant academic qualifications and experience qualification documents, and after reviewing the information provided by the independent director candidates, supplemented by public information (such as: industrial and commercial registration information of the Ministry of Economic Affairs, ticket exchange, etc.), no qualification incompatibility has been found.

**Favite Inc.****Lifting the Non-Compete Clause for the Directors**

The directors and their representatives, and candidates for independent directors are subject to the removal of the non-compete restriction.

Role	Name	Current Positions at Other Companies
Director	CHEN, YUNG-HUA	Chairman of Favite Limited. Chairman, Favepc inc. Director, Yield Microelectronics corp.
Director	Utechzone Co., Ltd. Representative: WANG, JEN-CHIEH	The deputy general manager of the automation technology department of Utechzone Co., Ltd.
Director	Utechzone Co., Ltd. Representative: HSU, CHIH-CHAO	Head of legal affairs of Utechzone Co., Ltd.
Director	LIN, HUNG-JEN	Chairman, Jie Kuen precision technologies Co., Ltd. Director, Jie Kuen enterprise Inc.
Director	SHAN HIS-CHI	President of Bright Future Technology Co., Ltd. President of A3000 System Co., Ltd. Chairman of Qiaosuan Co., Ltd.
Independent Director	SU, HSING-HWA	Partner of WeTec Internation CPAs Director of New Taipei Branch.
Independent Director	LEE, SHIH-CHENG	Director, Wetrust technology Co., Ltd.
Independent Director	WANG, SHU-JANE	Head of the Wang, Shu-Jane insurance broker firm. Real estate broke of Junze Development Co., Ltd.
Independent Director	SHEN, HIS-WEN	Independent Director Unictron Technologies Corporation.

**Favite, Inc.**  
**“Articles of Incorporation”**  
**(Translation)**

Section I General Provisions

- Article 1 The Company shall be incorporated under the Company Act as a company limited by shares named “Favite Inc.”
- Article 2 The businesses of the Company are as follows:  
I301010 Service of information software.  
F213040 Retail Sale of Precision Instruments.  
CB01010 Machinery and Equipment Manufacturing.  
CE01010 General Instrument Manufacturing.  
CC01080 Electronic Parts and Components Manufacturing.  
CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.  
CE01030 Optical Instruments Manufacturing.  
E603050 Automatic Control Equipment Engineering.  
E604010 Machinery Installation.  
F113010 Wholesale of Machinery.  
F113030 Wholesale of Precision Instruments.  
F113050 Wholesale of Computers and Clerical Machinery Equipment.  
F118010 Wholesale of Computer Software.  
F401010 International Trade.  
I501010 Product Designing.  
JE01010 Rental and Leasing Business.  
ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company shall have its head office in Hsinchu County, Taiwan and shall be free, upon approval of the board of directors, to establish branches at home or abroad when deemed necessary.
- Article 4 The Company may endorse and guarantee externally for business or investment purposes. The total amount of the company's reinvestment is subject to the limit of 40% of the paid-in capital.
- Article 5 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Section II Capital Stock

- Article 6 The total capital stock of the Company shall be in the amount of 1,500,000,000 New Taiwan Dollars, divided into 150,000,000 shares, at ten New Taiwan Dollars each, within which the Board is authorized to issue shares in installments.
- The Company may issue employee stock options from time to time. A total of 2,000,000 shares among the above total capital stock should be reserved for the issuance of employee stock options.
- Article 6-1 If the company proposes to issue employee stock option certificates with a subscription price lower than the market price or net value per share, the proposal shall be conducted after it has been approved by shareholders' meeting, which shall be made in accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
- Employees of the parent company or subsidiary meeting certain specific requirements are included to be entitled to receive a share subscription warrant of the Company.
- Article 6-2 If the company proposes to repurchase company's shares and transfer to employees with a price lower than the average price of actual repurchasing shares, the proposal shall be conducted after it has been approved by shareholders' meeting, which shall be made in accordance with the relevant laws and regulations.
- Employees of the parent company or subsidiary meeting certain specific requirements are included to be entitled to receive treasury stock purchased by the Company.
- Article 6-3 Employees of the parent company or subsidiary meeting certain specific requirements are included to be entitled to receive new shares issued by the Company.
- Employees of the parent company or subsidiary meeting certain specific requirements are included to be entitled to receive Restricted Stock Awards.
- Article 7 The company's stocks are registered stocks and shall be issued after being signed or stamped by the director representing the Company and certified by the bank serving as the issuer and certifier of the stock in accordance with the law.
- For the shares to be issued to the Company, the Company may be exempted from printing any share certificate for the shares issued.
- For the shares to be issued in accordance with the provision of the preceding paragraph, the issuing company shall appoint a centralized securities custody enterprise/ institution to record the issue of such shares.
- For the corporate bonds to be produced and issued to the Company, the preceding two paragraphs shall be applied mutatis mutandis.

Article 8 Registration for shares transfer shall be suspended within 60 days before the annual shareholders' meeting, within 30 days before the interim shareholders' meeting, or within 5 days before dividends, bonuses or other benefits are scheduled to be paid by the company.

#### Section III Meetings of Shareholders

Article 9 Shareholders' meeting is divided into two categories; the annual shareholders' meeting is convened every year; it is convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. The interim shareholders' meeting may be convened in accordance with the law when deemed necessary.

Article 9-1 When the Company's shareholders' meeting is held, it may be held by video conference or other methods announced by MOEA.

Article 10 In case the shareholder is unable to attend the Shareholders meeting, the shareholder may appoint a proxy to attend the meeting by presenting a proxy document with a signature or seal and stating therein the scope of power authorized to the proxy.

Unless otherwise provided in the relevant regulation, the shareholders' appointment of proxies to attend the meeting shall follow the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by the Competent Authority.

Article 10-1 Shareholders' meetings are to be convened by the board of directors. The Chairman of the Board shall chair shareholders' meetings. If the Chairman is unable to attend, the Chairman may appoint one of the Directors to act on the Chairman's behalf. If no delegate is appointed by the Chairman, one shall be elected from among the Directors.  
For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 11 The shareholders of the Company shall be entitled to one vote for each share. There is no voting right on the restricted stock or stock under Article 179 of Company Law.

Article 12 Shareholders' Meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the Meeting with the concurrence of a majority of the votes held by shareholders present at the Meeting. The Company may withdraw from public offering upon shareholder approval at the Meeting.

Article 12-1 Resolutions adopted at a shareholders' meeting shall be recorded in the

minutes of the meeting, which shall be made in accordance with Article 183 of the Company Act.

#### Section IV. Directors

- Article 13 The Company shall have eight to ten directors whose term of office is three years. The Company adopts the candidate nomination system for the election of directors. Directors are elected from among the nominees listed in the roster of director candidates at a shareholders meeting. The directors are eligible for re-election.
- In the board, the number of independent directors shall be no less than three and no less than one-fifth of the total number of directors.
- The nomination of directors and related announcements shall comply with the relevant regulations of the Company Law and the Securities and Exchange Law. The election of independent and nonindependent directors shall be held together; however, the number of independent and non-independent directors elected shall be calculated separately.
- Article 13-1 When one-third or more of the Directors are vacated or the independent directors are dismissed en masse, the board of directors shall, within sixty (60) days, convene an interim shareholders meeting to elect Directors to fill the vacancies for the remaining term of their predecessors.
- Article 13-2 Meetings of the Board shall be convened upon written notice mailed, e-mailed, or faxed to all directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and the agenda.
- Article 13-3 In compliance with Articles 14-4 of the Securities and Exchange Law, the Corporation shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of the Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations.
- Article 14 The board of directors shall be formed by directors. The directors shall elect from among themselves a chairman by majority approval in a meeting attended by over two-thirds of the directors.
- The chairman internally presides over the shareholders meeting and the board of directors, and externally represents the Company.
- Article 15 When the Chairman takes leave or fails to exercise his or her authority, his/her proxy shall comply with Article 208 of the Company Act.
- Article 15-1 For every resolution for which a vote is required, unless otherwise specified in the Company Act, the resolutions of the Board shall be adopted by a majority vote of those Directors present at a meeting attended by a majority

of all Directors.

Attendance via tele- or video conference is deemed as attendance in person. If attendance in person is not possible, they may appoint another director to attend as their proxy. His/her proxy shall comply with Article 205 of the Company Act.

Article 16 The directors' remuneration is authorized to be decided by the board of directors based on the directors' degree of involvement and contribution to the Company's business operation. Regardless of operating profits or losses, the compensation shall be paid according to the industry standard.

Article 16-1 The Company shall indemnify its directors by reason of the fact that he or she is or was a director of the Company. The Company shall purchase insurance on behalf of its directors.

#### Section V. Managers

Article 17 The Company shall appoint a manager whose appointment, discharge, and remuneration shall be in accordance with the provisions in Article 29 of the Company Act.

#### VI. Accounting

Article 18 At the end of each fiscal year, the board of directors shall have the following documents prepared and submitted to the shareholders meeting for approval.

1. Business report
2. Financial statements
3. Proposal for distribution of earnings or offset of losses.

Article 19 If the company makes a profit for the year, it shall allocate 10% as employee compensation. The board of directors decides to pay in stocks or cash. The recipients may include subordinate employees who meet certain conditions. The amount of profit that the company is able to open up is determined by the board of directors to approve directors' remuneration not higher than 2%. Employee compensation and Directors' remuneration shall be reported to the shareholders' meeting.

However, when the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate employee compensation and directors' remuneration in proportion to the preceding paragraph.

Article 19-1 In the event of surplus earnings after closing annual accounts, due taxes shall be paid per the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remaining surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. In addition, the Board of Directors may, after allocating or reversing special reserve pursuant to the

laws or regulations of the competent authority, retain parts of the earnings and prepare an earnings distribution proposal along with accumulated undistributed earnings for profits to shareholders' meeting for resolution on the distribution of shareholders' dividend and bonus.

The company's dividend policy is based on the capital, financial structure, overall environment and industrial growth characteristics of the current year to achieve the company's goal of sustainable operation and stable business performance. Therefore, the company's dividend distribution is reserved by the board of directors according to operational needs. Distributed at a rate not exceeding 90% of the company's distributable earnings. According to the future capital expenditure budget and capital needs, the company's dividends are distributed in two ways: stock dividends (including surplus capital increase, capital reserve capital increase) and cash dividends. The cash dividends shall not be less than 5% of the total dividends.

#### VII. Supplementary Provisions

Article 20 In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China shall govern.

Article 21 These Articles of Incorporation were enacted on February 29, 2000.

The 1st amendment was made on May 12, 2000.

The 2nd amendment was made on December 4, 2001.

The 3rd amendment was made on January 12, 2002.

The 4th amendment was made on May 25, 2002.

The 5th amendment was made on October 12, 2002.

The 6th amendment was made on November 11, 2003.

The 7th amendment was made on May 7, 2005.

The 8th amendment was made on July 25, 2005.

The 9th amendment was made on April 28, 2006.

The 10th amendment was made on April 28, 2006.

The 11th amendment was made on January 19, 2007.

The 12th amendment was made on November 8, 2007.

The 13th amendment was made on June 13, 2008.

The 14th amendment was made on June 13, 2008.

The 15th amendment was made on June 16, 2009.

The 16th amendment was made on September 23, 2009.

The 17th amendment was made on September 23, 2009.

The 18th amendment was made on June 15, 2012.

The 19th amendment was made on June 24, 2016.

The 20th amendment was made on May 30, 2018.

The 21st amendment was made on June 12, 2019.

The 22nd amendment was made on August 26, 2021.

The 23rd amendment was made on June 24, 2022.

The 24th amendment was made on May 29, 2023.

**Favite, Inc.**  
**“Rules of Procedure for Shareholders Meetings”**  
**(Translation)**

- Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. The company shall convene a shareholder meeting via video conference, which shall be expressly stipulated in the articles of association, unless otherwise provided by the guidelines for handling stock affairs of publicly traded companies. Such convening shall be resolved by the board of directors, and decisions of the video shareholder meeting shall be implemented upon approval by two-thirds or more of the directors present and a majority of the attending directors, as resolved by the board of directors.
- Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.
- This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the regular shareholders meeting date or 15 days before the date of the special shareholders meeting. If, however, this Corporation has a paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or the total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made

them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where the re-election of all directors and their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the re-election in said meeting, such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation 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. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may

not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting, the board of directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6 This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel should be assigned to handle the registrations. For

virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.

When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

#### Article 6-1

To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of

shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda.

D. Actions to be taken if the outcome of all proposals has been announced and an extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Guidelines for Handling Stock Affairs of Publicly Traded Companies, at least shareholder connection equipment and necessary assistance shall be provided, and it shall be stated the period during which shareholders may apply to the company and other relevant matters to be noted.

Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason is unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and understands the company's financial and business conditions. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors (at least one independent director) in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with the power to convene but is not on the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

The company shall make an uninterrupted audio and video recording of the whole process of the shareholders meeting and the recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Corporation shall keep

records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting. In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

#### Article 9

Attendance at shareholders meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, the shares checked in on the virtual meeting platform, and the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements may be made for a combined total of no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6. When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 11

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as the questions so raised per the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, the questions

- should be disclosed to the public at the virtual meeting platform.
- Article 12 Voting at a shareholders meeting shall be calculated based on the number of shares.
- With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
- When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.
- The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- When this Corporation holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic

means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for and against and the number of abstentions, shall be entered into the MOPS.

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 it 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.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

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

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and the results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

- Article 14      The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 15      Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights) and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.
- Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of a disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
- When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.
- Article 16      On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means and shall make an express disclosure of the same at the place of the shareholders meeting. In the event of a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
- When the meeting is called to order, the total number of shares represented

at the meeting shall be disclosed on the virtual meeting platform during this Corporation's virtual shareholders meeting. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 17

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

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 19

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

Article 20

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

Article 21

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless, under a circumstance where a meeting is not required to be postponed to or resumed at another time under

Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or a list of elected directors.

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

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or periods set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2,

Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporation shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties attending a virtual shareholders meeting online. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Guidelines for Handling Stock Affairs of Publicly Traded Companies, at least shareholder connection equipment and necessary assistance shall be provided, and it shall be stated the period during which shareholders may apply to the company and other relevant matters to be noted.

Article 23 These Rules shall take effect after being submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

These Rules of Procedure for Shareholders Meetings were enacted on June 24, 2022.

The 1st amendment was made on June 24, 2022.

The 2nd amendment was made on May 31, 2024.

**Favite, Inc.**  
**Rules of Procedures for the Selection of Directors**  
**(Translation)**

- Article 1 : For the purpose of fair, impartial and open election of directors, this procedure is formulated in accordance with Article 21 of the "Code of Practice on Corporate Governance for Listed and OTC Listed Companies".
- Article 2 : The election of directors of the Company shall be in accordance with these procedures, unless otherwise provided by laws and regulations or the Articles of Association.
- Article 3 : The selection of directors of the Company shall take into account the overall configuration of the Board of Directors. The composition of the Board of Directors should take into account diversity and formulate appropriate diversity policies based on their own operations, operating styles and development needs, which should include but are not limited to the following two criteria:
1. Basic conditions and values: gender, age, nationality and culture, etc.
  2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc.
- Members of the Board of Directors shall generally possess the knowledge, skills and qualities necessary to perform their duties, and their overall competencies shall be as follows:
1. Operational judgment ability.
  2. Accounting and financial analysis ability
  3. Management ability.
  - Fourth, crisis management capabilities.
  5. Industrial knowledge.
  - Sixth, the international market view.
  7. Leadership.
  8. Decision-making ability.
- There shall be more than half of the seats among the directors, and there shall be no spouse or family relationship within the second degree of kinship. The Board of Directors of the Company shall consider adjusting the composition of the Board of Directors based on the results of the performance evaluation.
- Article 4 : The qualifications of independent directors of the Company shall comply with the provisions of Articles 2, 3 and 4 of the Regulations Governing the Establishment and Matters to be Followed by Independent Directors of Public Companies.
- The election of independent directors of the Company shall comply with the provisions of Articles 5, 6, 7, 8 and 9 of the Regulations Governing the Establishment of Independent Directors and Matters to be Followed by Public Companies, and shall be handled in accordance with Article 24 of the Code of

Corporate Governance Practice for Listed and OTC Companies.

- Article 5 : The election of directors of the Company shall be carried out in accordance with the procedures of the candidate nomination system stipulated in Article 192-1 of the Company Law.
- If the director is dismissed for any reason, resulting in less than five directors, the company shall hold a by-election at the latest shareholders' meeting.
- However, if the number of directors vacancies reaches one-third of the seats specified in the articles of association, the company shall convene an extraordinary general meeting of shareholders to elect them within 60 days from the date of occurrence of the fact.
- If the number of independent directors is less than the proviso to Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the most recent shareholders' meeting; When all independent directors are dismissed, an extraordinary shareholders' meeting shall be convened for by-election within 60 days from the date of the fact.
- Article 6 : The election of directors of the Company shall be based on a cumulative voting system, and each share shall have the same voting rights as the number of directors to be elected, and may be elected by one person or by allocation of several persons.
- Article 7 : The convener shall prepare an electoral ballot equal to the number of directors to be elected, and fill in the number of votes to distribute it to the shareholders attending the shareholders' meeting, and the names of the electors may be replaced by the number of the attendance card printed on the ballot paper.
- Article 8 : The number of directors of the Company shall be calculated separately according to the number of seats specified in the Articles of Association, and the election rights of the independent directors and non-independent directors shall be calculated separately, and the candidates with the largest number of votes shall be elected in turn.
- Article 9 : Before the commencement of the election, the chairman shall appoint a number of scrutineers and tellers to perform various relevant duties, and the scrutineers shall have the status of shareholders. The ballot box shall be prepared by the convener and shall be opened and inspected by the scrutineer in public before voting.
- Article 10 : An electoral ballot paper is invalid if it falls under one of the circumstances listed on the left:
1. Those who do not need to have the ballot papers prepared by the convener.
  2. Those who drop blank ballot papers into the ballot box.
  3. The handwriting is illegible or has been altered.
  4. The list of candidates for election and director is inconsistent after verification.
  5. Those who fill in the number of voting rights and write other words.

- Article 11 : After the voting is completed, the ballot shall be cast on the spot, and the result of the ballot shall be announced by the chairman on the spot, including the list of directors elected.  
The ballot papers for the election matters referred to in the preceding paragraph shall be sealed and signed by the scrutineers and shall be kept in a proper place for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.
- Article 12 : Matters not specified in this procedure shall be handled in accordance with the relevant provisions of the Company Law and the Articles of Association.
- Article 13 : This procedure shall be implemented after the approval of the shareholders' meeting, and the same shall apply when amended.  
This procedure was established on June 24, 2022.

**Favite, Inc.****Shareholding and Minimum Number of Shares Required to be held by Directors**

Position	Name	Date Elected	Shares	Shareholding Ratio (%)
Chairman	CHEN, YUNG-HUA	2022.06.24	1,900,813	2.40%
Director	Utechzone Co., Ltd. Representative: CHANG, WEN-CHIEH	2022.06.24	10,747,272	13.60%
Director	Utechzone Co., Ltd. Representative: LIN, FANG-LUNG	2022.06.24		
Director	YEH, SHENG-FA	2022.06.24	165,000	0.21%
Director	LIN, HUNG-JEN	2022.06.24	1,394,000	1.76%
Independent Director	TSENG, HSIANG-CHI	2022.06.24	0	0.00%
Independent Director	LEE, SHIH-CHENG	2022.06.24	0	0.00%
Independent Director	SHEN, HIS-WEN	2022.06.24	0	0.00%
Independent Director	LO, CHIH-PING	2022.06.24	0	0.00%
Total			15,294,085	14,207,085

Note 1: Total shares issued as of March 31, 2025: 79,052,356 common shares.

Note 2: The Company's Directors are required by the law to hold in the aggregate not less than 6,324,188 shares. The number of shares held by directors has reached legal standards.