



海韻電子股份有限公司  
*Sea Sonic Electronics Co., Ltd.*

# **Agednda Handbook for the 2024 General Shareholder's Meeting**

**Meeting Method : Physical Meeting**

**Time : 10 a.m. on Friday, June 21, 2024**

**Place : 15F., No. 8, Dongxing Rd., Songshan Dist., Taipei City**

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**Sea Sonic Electronics Co., Ltd.**

**2024 Annual Meeting of Shareholders**

**I. Meeting Agenda**

**Meeting Method:** Physical Meeting

**Time:** 10 a.m. on Friday, June 21, 2024

**Place:** 15F., No. 8, Dongxing Rd., Songshan Dist., Taipei City

**Call the Meeting to Order**

**I. Chairperson Remarks**

**II. Report Items**

- (1) The Company's 2023 Business Report.
- (2) The Audit Committee's review report on the 2023 financial statements.
- (3) The report on the distribution of employee and director compensation for 2023.
- (4) The report on amendments to certain provisions of the Company's "Procedures for Ethical Management and Guidelines for Conduct".
- (5) The report on the execution of investment projects in Mainland China.
- (6) The report on the promotion of sustainable development.

**III. Proposals for Approval**

- (1) The Company's 2023 Business Report and Financial Statements.
- (2) The Company's 2023 earnings distribution plan.

**IV. Proposals for Discussion**

- (1) The amendments to certain provisions of the Company's "Articles of Incorporation".

**V. Extraordinary Motions**

## II. Report Items

### Report No. 1

#### The Company's 2023 Business Report

#### Explanation:

**Dear Shareholders,**

On behalf of the Board of Directors and all employees, we extend our sincerest greetings and heartfelt thanks to all shareholders. Reflecting on the past year, the world has entered a post-pandemic era, with governments and the private sector working hand in hand towards active recovery, implementing various policies to stimulate domestic demand. However, to combat inflation, the Federal Reserve's interest rate hikes have caused unease in the economic environment and markets. Additionally, geopolitical tensions have affected the global economy like a butterfly effect, impacting industry supply chains in waves. Despite these challenges, the Company's management team and all employees, with limited resources, formulated highly effective strategies, ultimately overcoming obstacles and achieving organizational goals.

Below, we present the operational results for 2023 and an outline of the business plan for 2024:

#### 1. Operational Results for 2023:

##### (1) Implementation Results

The Company's consolidated operating revenue for 2023 was NT\$3,333,190 thousand, consolidated gross profit was NT\$1,139,926 thousand, and consolidated net income attributable to the parent company was NT\$614,706 thousand. Compared to 2022, consolidated operating revenue increased by NT\$778,348 thousand, an increase of 30.47%, consolidated gross profit increased by NT\$363,174 thousand, an increase of 46.76%, and consolidated net income attributable to the parent company increased by NT\$164,480 thousand, an increase of 36.53%.

Moreover, the Return on Assets, Return on Equity, Pre-tax Net Profit to Paid-in Capital Ratio, and Net Profit Margin were 15.36%、21.58%、95.00% and 18.44% respectively. The earnings per share after tax were 7.58 dollars.

The main sales areas were domestic market (about 5.45%), American market (about 27.44%), Asian market (about 37.90%), European market (about 28.54%), and other areas (about 0.67%).

##### (2) Budget Execution

In accordance with current regulations, the company did not publicly disclose financial forecasts for 2023. The overall actual operating status and performance were generally in line with the business plan set by the company.

(3) Financial and Profitability Analysis

Results of Operations and Profitability in the Consolidated Financial Statements of the Company for 2023

Finance and Income

Unit: NT\$1,000

<div>Year</div> <div>Item</div>	2022	2023
Net Operating Income	2,554,842	3,333,190
Net operating profit	776,752	1,139,926
Net income after tax attributable to the parent company	450,226	614,706

Profitability

<div>Year</div> <div>Item</div>	2022	2023
Return on Assets (%)	11.24	15.36
Return on equity (%)	17.23	21.58
Net income before income tax to paid-in capital ratio (%)	75.11	95.00
Net Income Ratio (%)	17.62	18.44
Earnings per share (NT\$)	5.63	7.58

(4) Research and Development

Successful products developed in 2023:

1. In 2023, Sea Sonic successfully developed and mass-produced a series of standard products, including the Prime TX/PX, Vertex PX/GX, and Focus V3 GX, covering a power range of 750W to 1600W. These products adhere to the latest Intel ATX 3.0 power specifications and support PCIe Gen5, providing the market with the latest and most suitable power solutions. By maintaining a commitment to high-quality power supplies, these products attract more consumers demanding high quality and performance, enhancing customer loyalty to the Sea Sonic brand.
2. To meet OEM/ODM customization needs and horizontally expand market share, we actively offer optimal power solutions to OEM/ODM customers. We are committed to developing a full range of platforms that comply with ATX 3.0 standards and feature PCIe Gen5 functionality. Through continuous innovation and technological improvement, we expand the market and effectively promote economies of scale. Meeting personalized customer needs helps us maintain a leading position in a competitive market.

**2. Summary of 2024 Business Plan :**

(1) Business Policies

1. Uphold the Sea Sonic corporate spirit, develop energy-efficient power supplies, and firmly commit to sustainable development.
2. Respond to global economic changes by enhancing revenue and reducing costs to create long-term stable profits.
3. Anticipate market application trends, expand R&D centers, and refine core technologies.
4. Shorten product development cycles, improve R&D management, and ensure comprehensive intellectual property protection.

5. Establish long-term competitive advantages, make good use of human resources, and cultivate outstanding talent.
6. Build a dense network of business partners, strengthen channel expansion, and provide quality services.
7. Optimize operational process management, strengthen control mechanisms, and improve operational quality.

## (2) Sales Prediction and Its Basis

The company expects the sales volume of products in 2024 to exceed 120 million units. This is based on the forecast of market demand and the evaluation of the company's production capacity, as well as the expected domestic and international market conditions. The company hopes to achieve this goal by promoting new products, developing new markets, and strengthening existing customer relationships.

## (3) Important Production and Marketing Policies

### 1. Product Development

Looking ahead to 2024, with the successful launch of the new generation products such as Prime TX/PX, Vertex GX, Vertex PX, and Focus PX/GX, we will strategically introduce a series of high-quality and high-cost-performance products. These new offerings are expected to lead market trends and create another wave of demand.

### 2. Production

In response to changes in the economic environment in China, we are actively enhancing our control over the supply chain and quality management. We are focusing more on in-house production, including a full range of low to mid-range models, to effectively control costs and increase production flexibility. At the same time, we will remain highly vigilant to control the risk of quality defects, strengthen internal quality management and monitoring mechanisms, increase customer trust in our products, and establish a good reputation in the highly competitive market to achieve long-term stable profits.

### 3. Marketing

To expand market share, Sea Sonic has planned a comprehensive and forward-looking product development strategy. The new generation of flagship and cost-effective series, including Prime, Vertex, Focus, Core, and G12X, will continue to engage closely with consumers and professional online reviewers. Through diverse interactions, we will introduce the advantages of our products to a wide range of consumers. We will launch reward programs for returning or loyal customers to accurately capture consumer preferences, deeply embedding Sea Sonic's image of top-tier, environmentally friendly, energy-saving, silent, and high-efficiency products in the minds of users. This approach aims to meet the needs of different customer groups while enhancing the brand's market awareness and status.

### 4. Customer Service

Sea Sonic is committed to excellent customer service, consistently providing high-quality after-sales support to ensure long-term loyalty to the Sea Sonic brand, products, and services. Our customer service personnel carefully listen to and focus on customer needs and desires, enhancing their skills to quickly resolve issues with efficiency and empathy. We offer a diverse range of services to major customers, maintaining weekly meetings and continuously monitoring customer sales status and consumer feedback on product usage, which we use for analysis and ongoing product improvement to meet customer needs. For global end consumers, we utilize various established online service systems to provide and enhance online customer service, technical consultations, repair registrations, and other methods to achieve timely, precise, and satisfactory service.

### **3. Future Development Strategy**

Sea Sonic is committed to achieving sustainable growth and creating long-term value. We will continue to invest in innovative technologies and research and development, consistently pursuing excellent performance in our products and solutions to meet the needs of diverse customer groups. Through continuous technological innovation and product upgrades, we aim to maintain a competitive edge and a leading position in niche markets.

Additionally, we will further strengthen our cooperation with strategic partners to expand our business scope and market share. By establishing solid partnerships, we will jointly develop new markets, explore new business areas, and achieve diversified business development, enhancing the Company's profitability and market competitiveness.

In terms of talent development and management, we are dedicated to establishing an open and collaborative corporate culture, creating a positive working environment and reward system to attract and retain outstanding talents. Besides providing various training and development opportunities, we encourage employee creativity and potential and establish effective talent management systems to achieve the goal of mutual growth between employees and the Company.

Furthermore, we will actively seek more cooperation opportunities to expand our global market and enhance international competitiveness. Strengthening brand building and market promotion will help us create an international brand image, attract more customers and partners, and achieve broader business development and higher corporate value.

Lastly, we will continue to fulfill our corporate social responsibility by actively participating in social welfare activities and promoting sustainable development and social progress. Through concrete actions, we aim to give back to society and realize the vision of sustainable development for both the Company and the community.

### **4. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment**

#### **(1) External Competitive Environment**

With the rise of technological innovation and Industry 4.0, consumer demands for the performance and efficiency of electronic products are continuously increasing. Therefore, power supply manufacturers need to constantly introduce more efficient, reliable, and energy-saving products to meet market demands. Furthermore, environmental protection and energy-saving requirements are receiving increasing attention. As global awareness of environmental protection grows, government and industry standards for the energy efficiency and environmental friendliness of power supplies are also rising. Thus, we must actively respond to these requirements by continuously optimizing product designs to reduce energy consumption and environmental pollution.

In addition, the uncertainties in the global economic environment pose a certain degree of operational pressure. Factors such as international trade frictions and political instability may lead to fluctuations in material prices and unstable market demand, impacting the development of the power supply industry.

Despite these challenges, the demand for power supplies is expected to continue growing with the development and application of emerging technologies such as 5G, artificial intelligence, and the Internet of Things. As AI PCs and AI servers enhance their computing and transmission performance, the power supply industry will benefit from an increase in ASP, creating more business opportunities for the Company.

Overall, the power supply industry in 2024 faces significant challenges and opportunities. Sea Sonic will continue to closely monitor market changes, strengthen technological innovation, and improve product quality and performance to respond to market demand changes and achieve the goal of continuous and stable development.

## (2) Regulatory Environment

Changes in the regulatory environment will have multifaceted impacts on our operations:

### 1. Increased Product Compliance Requirements

If regulations heighten the requirements for the safety and environmental friendliness of power products, we may need to adjust product design and production processes to comply with the new rules. This would require technical upgrades or supply chain adjustments, increasing costs.

### 2. Increased Environmental Protection Pressure

Should new environmental regulations impose stricter standards on emissions and waste management, we may need to allocate more resources to improve production processes to minimize environmental impact.

### 3. Enhanced Labor Conditions Requirements

If new regulations strengthen labor rights protections, we will need to improve working conditions, increase wages and benefits, or enhance labor safety to meet the new standards. This would likely increase labor and management costs.

### 4. Strengthened Intellectual Property Protection

To prevent infringements that could harm the Company's interests, we must enhance intellectual property protection and strengthen the supervision of our supply chain and partners, which would also increase management costs.

Thus, regulatory changes will impact our operations, and we will proactively respond by enhancing our competitiveness and sustainable development capabilities to meet these challenges.

## (3) Overall Business Environment

The overall business environment impacts Sea Sonic in political, economic, technological, and socio-cultural aspects:

### 1. Political Environment

Government policy changes, trade policy adjustments, and geopolitical risks can influence our future policy development plans and investment decisions. Therefore, we closely monitor political changes and adjust our strategies accordingly to address challenges and seize opportunities arising from these changes, ensuring sustainable and stable development.

### 2. Economic Environment

Factors such as economic growth rates, inflation rates, and unemployment rates will directly and profoundly affect our development and operations. For example, economic slowdown might reduce market demand, affecting sales revenue. Inflation may lead to higher costs, impacting profit margins. Changes in unemployment rates also affect purchasing power and market demand. We will continue to monitor economic trends and adapt to market changes, seizing potential opportunities to ensure the Company's ongoing stable development.

### 3. Technological Environment

With continuous technological advancements, new products from competitors may affect the competitive position of our existing products. However, the application of new technologies can also create new market demands. We will adjust our product strategies and marketing tactics according to technological changes, maintaining competitive advantages and exploring new opportunities.

### 4. Socio-Cultural Environment

Consumers' growing concern for product quality, safety, and environmental protection compels us to continually improve product quality, enhance safety management, and focus on environmental sustainability. Additionally, talent development and management are crucial; fostering an open and collaborative corporate culture is essential to attract and retain outstanding talent. Corporate social responsibility is also increasingly emphasized. Actively participating in social welfare activities and promoting sustainable development



are vital for our corporate image. Therefore, we will adjust strategies and management practices to meet social demands and expectations timely.

Changes in the overall business environment profoundly impact Sea Sonic. We will adopt a multi-faceted and comprehensive assessment, closely monitor environmental changes, and adjust strategies accordingly to address uncertainties and challenges, finding suitable opportunities amidst changes to achieve a blueprint for sustainable and healthy development.

## **5. Epilogue**

Dear Shareholders,

In the past period, the challenges we have faced have come not only from intensified market competition but also from changes in the global landscape and geopolitical instability. The escalating competition between China and the United States poses a significant challenge for us as an international company. With the increasing polarization, more and more countries are being forced to choose sides between China and the United States, bringing significant impacts on the international political and economic order.

In this context, we must closely monitor international developments and formulate strategies that align with current trends to address the challenges posed by geopolitical risks. At the same time, we need to enhance communication and collaboration with upstream and downstream partners and related stakeholders, promoting multilateral cooperation and solutions. We will also strengthen internal management, improving the Company's risk resilience to ensure stability in a turbulent environment.

Finally, we sincerely thank you for your continued support and trust in Sea Sonic. We firmly believe that only with the long-term support of our shareholders and the cooperation of our strategic partners can we collectively respond to changes in the external environment and seek steady development for the Company and society. Let us work together to create a brighter future. Once again, thank you for your support and trust.

Best Regard

Sea Sonic Electronics Co., Ltd.

Chairman: CHANG, HSIU-CHENG

President: LAN, CHIEN TUNG

CAO: CHANG, EN-HAO

**Report No. 2**

The Audit Committee's review report on the 2023 financial statements.

**Explanation:**

The Company's financial statements for 2023 have been reviewed by the Audit Committee, which issued an Audit Committee's Review Report.

**Audit Committee's Review Report**

The Board of Directors had prepared and submitted the 2023 Financial Statements (including the parent company only and consolidated statements). The audit of the financial statements was completed by CPA LIN, ZHI-LONG and CHEN, ZHAO-HUI at Crowe (TW) CPAs, and an audit report was issued. The audit of the aforementioned statements, along with issues such as the business reports and the report of earning distribution, submitted by the Board of Directors was conducted by the audit committee, and no inconsistency was found. The audit report was issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Yours sincerely,

2024 Shareholders General Meeting of Sea Sonic Electronics Co., Ltd.

Convener: LIN, CHING- CHING

A handwritten signature in black ink, consisting of stylized Chinese characters, likely representing 'Lin Ching-Ching'.

March 11, 2024

### Report No. 3

The report on the distribution of employee and director compensation for 2023.

#### Explanation:

In accordance with the Company's Articles of Incorporation, on the 2023 distribution of employee and director compensation has been resolved by the Board of Directors as shown in the table below.

Unit: NT\$

Item	Distribution	Amount approved by the Board of Directors	Release Method
Employee Compensation	Employees of the Company	24,544,175	Cash
Directors' remuneration	Directors of the Company	8,181,392	Cash
Total		32,725,567	

### Report No. 4

The report on amendments to certain provisions of the Company's "Procedures for Ethical Management and Guidelines for Conduct".

#### Explanation:

- 1.To align with the Company's "Measures for Handling Reports of Illegal, Unethical, or Dishonest Conduct," amendments are made to certain provisions of the Company's "Procedures for Ethical Management and Guidelines for Conduct."
- 2.For the Comparison Table of "Procedures for Ethical Management and Guidelines for Conduct," please refer to pages 14~16 of this agenda handbook (Annex 1).

**Report No. 5**

The report on the execution of investment projects in Mainland China.

**Explanation:**

The Company's investment in Mainland China as of December 31, 2023, is shown in the table below.

Unit: USD

Name of Mainland China investee company	Investment amount in 2023	Accumulated Investment Amount (Until 2023/12/31)	Shareholding ratio (%)
Dongguan Sea Sonic Electronics Co.	0	3,748,125	100%
Shenzhen Yuanli Electronics Co.	0	200,000	100%
Total	0	3,948,125	

**Report No. 6**

The report on the promotion of sustainable development.

**Explanation:**

- 1.The Company's Board of Directors approved the "Sustainable Development Best Practice Principles" on March 22, 2022, to actively implement the Company's sustainable development policy while running the business.
- 2.For the implementation of sustainable development initiatives in 2023, please refer to pages 17~28 of this meeting manual (Annex 2).

### III. Proposals for Approval

#### Proposal 1

(Proposed by the Board)

The Company's 2023 Business Report and Financial Statements.

#### Explanation:

- 1.The Company's 2023 business report, parent company only financial statements, and consolidated financial statements have been completed. The aforementioned financial statements have been audited by LIN, ZHI-LONG and CHEN, ZHAO-HUI of Crowe (TW) CPAs, who issued an unqualified audit report.
- 2.This proposal has been approved by the Board of Directors on March 11, 2024, and has been reviewed by the Audit Committee.

#### Attachment:

1. For the business report, please refer to pages 2~7 of this manual.
2. For the auditor's review report, parent company only financial statements, and consolidated financial statements, please refer to pages 29~49 of this manual (Annex 3~12).

#### Resolution:

#### Proposal 2

(Proposed by the Board)

The Company's 2023 earnings distribution plan.

#### Explanation:

- 1.The Company's net profit after tax for 2023 is NT\$614,705,919. According to the Company Act, NT\$61,470,592 is allocated as the legal reserve and NT\$4,016,614 as the special reserve. Together with the accumulated undistributed earnings of NT\$659,060,831 from previous periods, the total distributable earnings are NT\$1,208,279,544.
- 2.In accordance with the Company Act and the Company's Articles of Incorporation, the proposed distribution is as follows:  
Cash dividends for shareholders are NT\$411,791,190 (NT\$5 per share).  
After distribution, the remaining accumulated undistributed earnings are NT\$796,488,354.
- 3.The distribution of earnings for 2023 will be prioritized.

- 4.The cash dividend distribution will adopt a "round down to the nearest dollar" calculation method. The total amount of odd lots less than one dollar will be handled by the chairman with the authorization of the board of directors.
- 5.This proposal, having been approved by the Board of Directors, is submitted to the shareholders' meeting for ratification in accordance with the law. Upon approval by the shareholders' meeting, the chairman is authorized to set the ex-dividend date and handle other related matters.
- 6.If subsequent changes in the number of outstanding shares occur due to the buyback, transfer, or cancellation of treasury shares, the exercise of conversion rights by holders of overseas or domestic convertible bonds, or the exercise of employee stock options by Company employees, resulting in changes to the dividend payout ratio, the chairman is authorized to handle related matters.

Sea Sonic Electronics Co., Ltd.  
Surplus distribution table  
2023

Unit:NT\$	
Item	Amount
Undistributed earnings at beginning of period	659,494,270
Add: Net income after tax for 2023	614,705,919
Less: Other	(433,439)
Itemized:	
Less: Provision for legal reserve	( 61,470,592)
Less: Itemized of special reserve (translation of financial statements of foreign operating companies)	( 4,016,614)
Subtotal of distributable earnings for the year	1,208,279,544
Distributable items:	
Cash dividends to shareholders	(411,791,190)
Undistributed earnings at the end of the period	796,488,354

Note: The distribution of profits is prioritized from the undistributed profits of 2023.

Undistributed profits at the end of each year are as follows:

2012 : 10,706,385 / 2013 : 9,394,768 / 2014 : 35,394,536 / 2015 : 17,737,251 / 2016 : 21,358,943 /  
2018 : 69,929,188 / 2019 : 59,593,300 / 2020 : 151,434,761 / 2021 : 268,717,968 / 2022 : 14,793,731 /  
2023 : 137,427,523

Chairman: CHANG, HSIU-CHENG    Manager: LAN, CHIEN TUNG    CAO: CHANG, EN-HAO

**Resolution:**

## **IV. Proposals for Discussion**

### **Proposal 1**

**(Proposed by the Board)**

The amendments to certain provisions of the Company's "Articles of Incorporation".

### **Explanation:**

1. Certain provisions are amended in response to the regulatory authorities' promotion of the "Sustainable Development Action Plan for TWSE- and TPEX-Listed Companies (2023)" and to deepen the culture of corporate sustainability governance.
2. For the Comparison Table of "Articles of Incorporation," please refer to pages 50~51 of this agenda handbook (Annex 13).

### **Resolution:**

## **V. Extraordinary Motions**

# Annex

(Annex 1)

Sea Sonic Electronics Co., Ltd.

Comparison Table of “Procedures for Ethical Management and Guidelines for Conduct”

After the Revision	Before the Revision	Explanation
<p>Article 3: For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, managerial officers, employees, <u>mandatory</u>, persons having substantial control, or other interested parties.</p>	<p>Article 3: For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, managerial officers, employees, persons having substantial control, or other interested parties.</p>	<p>The counterparties of the unethical conduct now includes mandatory.</p>
<p>Article 10: Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions and reported to the President for approval, and a notification shall be given to the responsible unit. When the amount is NT\$<u>1,000,000</u> or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:</p> <ol style="list-style-type: none"> <li>1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.</li> <li>2. A written record of the decision making process shall be kept.</li> <li>3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.</li> </ol> <p>The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.</p>	<p>Article 10: Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions and reported to the President for approval, and a notification shall be given to the responsible unit. When the amount is NT\$<u>1,000,000</u> or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:</p> <ol style="list-style-type: none"> <li>1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.</li> <li>2. A written record of the decision making process shall be kept.</li> <li>3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.</li> </ol> <p>The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.</p>	<p>Text modifications have been made accordingly.</p>



After the Revision	Before the Revision	Explanation
<p>Article 21: As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.</p> <p>The Company publishes the independent whistleblower mailbox for <u>external</u> and <u>internal reporting units</u> on the Company website for use by internal and external personnel.</p> <p>A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> <li>1. the whistleblower's name, <u>contact address</u>, phone number, and <u>email address</u>.</li> <li>2. the informed party's name or other information sufficient to distinguish its identifying features.</li> <li>3. <u>the names and service units of the personnel involved in the reported case.</u></li> <li>4. <u>specific facts that can be investigated, including as much detail as possible about people, events, times, places, and things.</u></li> <li>5. <u>whistleblowers who make false or untrue reports shall bear legal responsibility.</u></li> <li>6. <u>reports submitted anonymously will generally not be processed, except when the provided information is deemed necessary for investigation.</u></li> </ol> <p>Personnel of the Company handling whistleblowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.</p> <p>The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters:</p> <ol style="list-style-type: none"> <li>1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director .</li> </ol> <p>(omitted)</p>	<p>Article 21: As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.</p> <p>The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> <li>1. the whistleblower's name and I.D. number and an address, telephone number and e-mail address where it can be reached.</li> <li>2. the informed party's name or other information sufficient to distinguish its identifying features.</li> <li>3. specific facts available for investigation.</li> </ol> <p>Personnel of the Company handling whistleblowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.</p> <p>The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters:</p> <ol style="list-style-type: none"> <li>1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.</li> </ol> <p>(omitted)</p>	<ol style="list-style-type: none"> <li>1. The independent whistleblower mailbox service announcement on the Company website has replaced the hotline, with textual adjustments made accordingly.</li> <li>2. In line with the "Measures for Handling Reports of Illegal, Unethical, or Dishonest Conduct," the I.D. number in Paragraph 1 of the current text has been deleted, along with some redundant words.</li> <li>3. The original Paragraph 3 has been moved and revised as Paragraph 4.</li> <li>4. New provisions for information that whistleblowers must provide have been added as Paragraphs 3 to 6.</li> <li>5. The Company has set up an audit committee and relieved the responsibilities of the supervisors.</li> </ol>
<p>Article 24: These Procedures and Guidelines, and any amendments hereto, shall be implemented</p>	<p>Article 24: These Procedures and Guidelines, and any amendments hereto, shall be implemented</p>	<ol style="list-style-type: none"> <li>1. Parentheses containing redundant text</li> </ol>

After the Revision	Before the Revision	Explanation
<p>after adoption by resolution of the board of directors, and shall be reported to the shareholders meeting.</p> <p>When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p> <p>These Procedures were established on March 27, 2015. First amendment was on March 23, 2020. <u>Second amendment was on November 9, 2023.</u></p>	<p>after adoption by resolution of the board of directors, and shall be reported to the shareholders meeting.</p> <p>When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p> <p>These Procedures were established on March 27, 2015. First amendment was on March 23, 2020. <u>(Applicable after the shareholders' meeting on June 12, 2020)</u></p>	<p>from the first amendment date have been deleted. 2. The amendment date has been added.</p>

(Annex 2)

**Implementation Status of Promoting Sustainable Development and Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons**

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
1. Has the company established a governance structure to promote sustainable development, set up a dedicated (or part-time) unit for promoting sustainable development, authorized senior management by the board of directors to handle related matters, and how does the board of directors supervise?	V		<p>(1) In order to promote sustainable development governance practices, the Company established the “Sustainable Development Committee” on November 9, 2021, with the approval of the board of directors. The committee aims to implement corporate social responsibility and achieve the concept of sustainable operation. The committee is the highest-level decision-making center for sustainable development within the Company. The second term of the committee consists of six members, appointed by the board of directors, with half of the members being independent directors. The Company’s board of directors serves as the highest supervisory unit for sustainable development.</p> <p>(2) The Company has established the “Sustainable Development Committee Charter” and the “Sustainable Development Best Practice Principles” as guiding principles for promoting sustainable development-related matters.</p> <p>(3) To implement corporate social responsibility and sustainable management, and to coordinate the Company’s sustainable development promotion activities, the “Sustainable Development Committee” serves as an interdepartmental communication platform for vertical integration and horizontal connection. Under the committee, there is an “ESG Promotion Team,” which is further divided into four working groups based on different issues: the “Information Security Group,” the “Greenhouse Gas Inventory Group,” the “Climate Change Group,” and the “Risk Management Group.” These groups are responsible for managing and executing sustainable development tasks. Through regular</p>	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
			<p>meetings, they identify sustainable issues relevant to the Company's operations and stakeholders, develop corresponding strategies and work plans, allocate budgets related to sustainable development, plan and execute annual programs, and track the effectiveness of implementation to ensure that sustainable development strategies are fully integrated into the Company's daily operations.</p> <p>(4) The "Sustainable Development Committee" reports to the board of directors at least once a year on the strategies and results of sustainable development implementation, as well as future promotion plans.</p> <p>(5) In 2023, the "Sustainable Development Committee" held a total of four meetings, including:</p> <ul style="list-style-type: none"> <li>a. Establishing the "Climate Risk and Opportunity Management Procedure."</li> <li>b. Implementing the progress of the "Greenhouse Gas Inventory and Verification Schedule Plan."</li> <li>c. Establishing the "Procedure for Preparing and Verifying the Sustainability Report."</li> </ul> <p>(6) After hearing the committee's report, the Company's board of directors must evaluate the potential success of these strategies, regularly review the progress of the strategies, and urge the management team to make adjustments when necessary.</p>	
2. Does the company conduct risk assessments related to environmental, social, and corporate governance issues that are pertinent to its operations based on the materiality principle, and establish relevant risk management policies or strategies?	V		<p>(1) The disclosure period covered is from January 2023 to December 2023, reflecting the sustainable development performance of the entire Sea Sonic Electronics Co., Ltd. group. The risk assessment boundary is the same as the consolidated financial statements, including the headquarters of Sea Sonic Electronics Co., Ltd. in Taiwan and its subsidiaries.</p> <p>(2) The Company has established an ESG Promotion Team under the Sustainable Development Committee and set up a dedicated Sustainable Development Department responsible for coordinating the Company's</p>	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
			<p>sustainable development direction and goals, promoting related tasks, and reporting the results to the board of directors. We analyze the materiality principles based on the Global Reporting Initiative (GRI) Standards, communicate with internal and external stakeholders, and evaluate significant ESG issues through reviewing domestic and international research reports, literature, and integrating assessment data from various departments and subsidiaries. Effective risk management policies and specific action plans are formulated to identify, measure, monitor, and control these risks, reducing their impact.</p> <p>(3) To ensure the implementation of risk management policies, Sea Sonic Electronics Co., Ltd. established the “Risk Management Policy and Procedures” in 2021, which was approved by the Audit Committee. This serves as a guideline to formulate the “Risk Management Operating Procedures,” clearly defining the principles, responsibilities, and operational mechanisms of risk management. This ensures the execution of all risk management procedures and related operations, enhancing risk management effectiveness. For relevant risk issues (including environmental, social, and corporate governance issues), please refer to the Risk-related Matters section in the Sea Sonic Electronics Co., Ltd. Sustainability Report.</p>	
<p>3. Environmental Issues</p> <p>(1) Has the company established an appropriate environmental management system based on the characteristics of its industry?</p>	V		<p>(1) The Sea Sonic Electronics Co., Ltd. (Dongguan) factory follows the ISO 14001:2015 standards to establish an environmental management system and continues to pass third-party verification. Additionally, in compliance with ISO 14064-1 standards, Sea Sonic Electronics Co., Ltd. has been conducting annual greenhouse gas inventories and tracking emission reduction results since 2022.</p>	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
(2) Is the company committed to improving the efficiency of resource utilization and using recycled materials with low environmental impact?	V		<p>(2) The Company is committed to enhancing the efficiency of resource utilization and continues to promote various energy-saving and carbon reduction measures as follows:</p> <ol style="list-style-type: none"> <li>1. Office Energy-Saving Equipment: Using LED lighting fixtures with energy-saving labels.</li> <li>2. Air Conditioning System Upgrade: The Taiwan headquarters updated to variable frequency air conditioning systems in 2022, and the Dongguan factory has been gradually upgrading to variable frequency air conditioners since 2021. All new equipment has obtained local energy-saving certifications.</li> <li>3. Factory Energy-Saving Equipment: Replacing old fuel vehicles with new energy vehicles.</li> <li>4. Energy-Saving and Carbon Reduction Advocacy: <ol style="list-style-type: none"> <li>a. Office Energy-Saving Measures: Implementing electronic approvals for internal documents and forms, and selecting paper certified by the Forest Stewardship Council (FSC) for photocopying.</li> <li>b. Turning off lights and setting air conditioning to a constant temperature during lunch breaks.</li> </ol> </li> <li>5. Resource Utilization and Recycling: <ol style="list-style-type: none"> <li>a. Using reusable turnover boxes for material transportation in factories.</li> <li>b. Installing an ERS energy recovery and reuse system in factories, applying AC→DC→AC inversion technology for energy recycling, achieving energy-saving effects.</li> <li>c. Waste Recycling and Management: Complying with environmental regulations in operational locations, actively reducing waste generation through scrap recycling and paid cleaning services.</li> </ol> </li> </ol>	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
(3) Has the company assessed the potential risks and opportunities of climate change on its current and future operations, and taken relevant countermeasures?	V		<p>6.. Product Design:</p> <p>a. Using raw materials that comply with EU RoHS regulations.</p> <p>b. Developing high-efficiency, energy-saving power supplies.</p> <p>(3) In 2023, Sea Sonic Electronics Co., Ltd. used the TCFD framework for the first time. The Climate Change Team under the ESG Promotion Team identified climate change risks and opportunities based on issues that may arise within their scope of business.</p> <p>a. The main climate change risks identified in 2023 are:</p> <p>①Introduction of energy/fuel/carbon taxes: Increased operating costs due to national carbon tax mechanisms.</p> <p>②Enhanced emission disclosure obligations: Governments, investors, and customers demanding carbon emission information.</p> <p>③Rising average temperatures: Increased energy consumption leading to higher energy costs.</p> <p>④Energy and greenhouse gas management: Replacing energy-consuming equipment with high-efficiency ones and introducing green materials, increasing operational costs.</p> <p>⑤Rising raw material costs: Increased production and transportation costs for raw materials.</p> <p>b. The main climate change opportunities identified in 2023 are:</p> <p>①Developing environmentally friendly, energy-saving products, enhancing market demand and competitive advantage.</p> <p>②Diversifying financial assets: Increasing investments in green financial products.</p> <p>③Adopting more efficient transportation methods: Using more efficient transportation modes, consolidating shipments, or switching to electric vehicles.</p>	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
(4) Has the company compiled statistics on greenhouse gas emissions, water usage, and total waste weight over the past two years, and formulated policies for greenhouse gas	V		<p>④Using more efficient production processes: Creating improvement activities to reduce losses.</p> <p>⑤Using new technologies: Introducing high-efficiency facilities to reduce high-energy consumption equipment and decrease power usage.</p> <p>c. Our action plan:</p> <p>①Manufacturing, transporting, and planning long-term use of renewable energy more efficiently. Establishing a product carbon footprint management mechanism and gradually implementing low-carbon practices.</p> <p>②Improving product performance from the design stage, planning to use FSC-certified paper for packaging materials.</p> <p>③Establishing backup mechanisms for alternative material suppliers to ensure stable material sources, avoid stock-out crises, and reduce costs.</p> <p>④Innovating production processes to reduce energy consumption, decrease working hours, and lower carbon emissions from processes.</p> <p>⑤Promoting digital product manuals to replace paper manuals, reducing paper usage.</p> <p>The climate-related risks and opportunities for the company's operations in 2023 are disclosed in the Sustainability Report.</p> <p>(4) Environmental climate change has become a common concern for investors and businesses. The Company focuses on various energy-saving and carbon reduction issues and greenhouse gas reduction topics.</p>	None



Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
reduction, water conservation, or other waste management strategies?			<p>1. Greenhouse Gas Management: In 2021, the Company introduced ISO 14064-1, fully promoting greenhouse gas emissions inventory and verification, setting reduction targets for categories one and two greenhouse gases, seeking reduction opportunities, and proposing improvement plans to gradually enhance greenhouse gas reduction performance. In April 2023, the Company obtained third-party verification of the group-wide greenhouse gas inventory for the first time.</p> <p>2. Water Resource Management: The main strategy is promoting tap water conservation, improving water-use equipment such as installing water-saving toilets in restrooms, and replacing urinals and faucets with sensor-activated ones as part of daily water-saving measures.</p> <p>3. Waste Management: The waste generated during operations includes “domestic waste” and “industrial waste,” which are properly handled by legally qualified contractors according to the regulations of the operating locations.</p> <p>At the key production base Sea Sonic (Dongguan), the company continues to pass ISO 14001 external certification, adhering to the environmental policy of “committed to green environmental protection and creating sustainable development.” Through the ISO 14001 environmental management system’s regular PDCA cycle performance review mechanism, the Company aims to achieve green operations and sustainability commitments.</p> <p>The 2023 greenhouse gas inventory and emission monitoring disclosures are available in the Sustainability Report.</p>	

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
4. Social Issues				
(1) Does the company establish relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	V		(1) In December 2023, Sea Sonic Electronics Co., Ltd. established a human rights policy and published it on the official website. Additionally, e-learning courses were organized to help all employees of the group understand their rights and company regulations. The company complies with the labor laws of the operating locations, adhering to international human rights conventions and local labor laws, prohibiting the employment of child labor, discrimination, workplace harassment, and forced labor. An independent grievance channel is established, and a smooth communication channel between labor and management is maintained to provide employees with a safe, equal, and free working environment.	None
(2) Does the company establish and implement reasonable employee welfare measures (including compensation, leave, and other benefits) and appropriately reflect business performance or results in employee compensation?	V		(2) Sea Sonic Electronics Co., Ltd. Taiwan headquarters participates in annual salary surveys conducted by job banks. The company sets salary schemes based on local industry salary levels, local price levels, basic wage adjustments, and social insurance regulations. Through market-competitive salary structures and employee incentive compensation systems, the company aims to attract and retain key talents.  For example, in 2023, the salary standards in other regions met the local minimum wage requirements, and there were no penalties for non-compliance with salary regulations. According to the company's articles of association, if the company has profits in the fiscal year, no less than 2% should be allocated as employee compensation, which is rewarded based on individual annual performance.  To reflect the price index and individual performance results, the company evaluates salary adjustment plans annually to ensure employee compensation is competitive externally and fair internally. Reasonable and competitive salary and welfare measures are established, including above-industry salary treatment, flexible working hours, remote work	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
(3) Does the company provide a safe and healthy working environment for employees and regularly implement safety and health education for them?	V		<p>options, and other benefits (such as excellent employee awards, bonuses for three major holidays, travel subsidies, birth gifts, and scholarships for employees' children).</p> <p>Business performance results are reflected in individual compensation based on employee performance. The 2023 employee welfare items and average employee salary adjustments are disclosed on the Market Observation Post System, with detailed content also disclosed in the Sustainability Report.</p> <p>(3) The company complies with occupational safety and health regulations in various regions and provides necessary health consultations and tracking services for employees' health.</p> <p>In accordance with local laws and regulations, we conduct regular health check-ups for employees. Additionally, we periodically offer on-site consultations with occupational specialists, establish an employee health database for continuous monitoring and care of high-risk employees, and regularly promote health education by providing information on health and disease prevention to enhance employees' health knowledge. We also organize regular health promotion activities to encourage employees to prioritize their health.</p> <p>The 2023 employee safety and health management measures and performance are disclosed in the Sustainability Report.</p>	None
(4) Does the company establish effective career development training programs for employees?	V		<p>(4) To fulfill corporate social responsibility, the Company has developed a comprehensive training system, offering diversified training courses and various professional on-the-job training. Training content is designed according to different job functions and specialties, encompassing five main areas: general courses for new employees, professional competencies, managerial competencies, compliance training, and occupational safety training. This comprehensive talent development plan helps employees grow continuously and ensures the Company's</p>	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
(5) Regarding customer health and safety, customer privacy, marketing, and labeling of products and services, does the company comply with relevant regulations and international standards, and establish policies and grievance procedures to protect consumer or customer rights?	V		<p>sustainable operations.</p> <p>The 2023 talent development program and its performance are disclosed in the Sustainability Report.</p> <p>(5) The Company specializes in the professional design and production of power-related products. From product design to production and finally to delivery to customers, each stage undergoes strict scrutiny to ensure product safety. The packaging clearly indicates the place of origin, product specifications, and safety certification marks, providing customers with safe products and ensuring the safety of product sales and services.</p> <p>During the design phase, products are also sent to professional laboratories accredited by TAF (Taiwan Accreditation Foundation) for global safety certification of power products to ensure compliance with various international safety standards.</p> <p>The company's website offers grievance channels for different stakeholders. An internal grievance mechanism is available for periodic communication and case handling. For consumers in various countries, product repair services and complaint channels are provided, along with dedicated customer service and quality assurance departments that handle customer communication and consumer rights based on established management procedures, offering comprehensive after-sales services.</p>	None
(6) Does the company establish supplier management policies, requiring suppliers to adhere to relevant standards on environmental protection, occupational safety and health, or labor rights, and implement these policies?	V		<p>(6) The Company has established supplier management procedures, including the implementation of a TQRDCE evaluation system for suppliers, which is assessed biannually. All new suppliers must pass environmental and social screening mechanisms to qualify as approved suppliers.</p> <p>Annually, based on the supplier audit plan, we verify the actual operations of all major material suppliers to minimize risks related to the</p>	None

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
			<p>environment, human rights, and labor. Regarding supplier social responsibility, we consider three indicators, and any violation of these will result in permanent disqualification: protection of human rights (e.g., gender equality, right to work, and prohibition of discrimination); inhumane treatment (including sexual harassment, mental or physical coercion, or verbal abuse); and providing a safe and healthy work environment for employees.</p> <p>Sea Sonic Electronics Co., Ltd. fosters collaboration with supply chain partners to implement ESG sustainable development, setting common ESG goals with suppliers and building stable, sustainable, and mutually beneficial strategic partnerships.</p> <p>The 2023 sustainable supply chain management and audit performance are disclosed in the Sustainability Report.</p>	
5. Does the company prepare a sustainability report or other non-financial information report in reference to international standards or guidelines? Has the aforementioned report obtained assurance or certification from a third-party verification unit?	V		<p>To enhance corporate governance, we comply with the regulation requiring listed companies with revenue under NT\$2 billion to prepare a sustainability report starting from 2025. Under the leadership of the board of directors, Sea Sonic Electronics Co., Ltd. initiated the preparation of the sustainability report in 2023 and voluntarily issued it in June 2024. This report, finalized by the “Sustainable Development Committee,” was verified by SGS with a Type 1 moderate level of assurance according to AA1000 AS V3. For the verification assurance statement, please refer to the appendix of the sustainability report.</p>	None
<p>6. If the company has established Sustainable Development Best Practice Principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” what is the company’s operation in accordance with the principles and what are the differences?</p> <p>The Company’s “2023 Sustainability Report” was prepared in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.” In 2022, the Company established its “Sustainable Development Best Practice Principles,” adhering to legal requirements and international standards. This ensures the Company provides a safe working environment where employees are treated with respect and dignity. While operating the business, the Company assumes environmental responsibilities and complies with ethical standards, actively working towards the direction set by these principles to implement the Company’s sustainable operation policy and statement.</p>				

Assessment Item	Implementation Status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Summary	
7. Other important information to understand the implementation of sustainable development initiatives: The Company is committed to environmental protection, energy conservation, carbon reduction, occupational safety, and public welfare activities. It continuously monitors new issues and trends to align with corporate sustainability goals and directions. The implementation status is as follows: 1. At the primary production base in Dongguan, the Company continuously passes external ISO 14001 verification. Adhering to the environmental policy of “committing to green environmental protection and promoting sustainable development,” the Company uses the ISO 14001 environmental management system’s regular PDCA cycle performance mechanism to achieve green operation and sustainable development commitments. 2. The Company replaces office energy-saving equipment, promotes energy conservation and carbon reduction, optimizes resource utilization and recycling, and reduces paper consumption. 3. Through innovative product process design, the Company reduces energy consumption and work hours, thereby lowering the carbon emissions generated by the processes. 4. The Company complies with occupational safety and health regulations in various regions, conducting supervision and management operations to provide employees with a safe working environment. 5. The Company actively engages in environmental and public welfare activities, participating in the “Ivory Coast Waste-to-Treasure School Construction Project” and donating free lunches to impoverished areas, demonstrating social care and helping communities in need.				

# Annex

(Annex 3)



國富浩華聯合會計師事務所

Crowe (TW) CPAs

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## Independent Auditors' Report

To: Sea Sonic Electronics Co., Ltd.

### Opinion

We have audited the parent company only financial statements of Sea Sonic Electronics Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, the parent company only statements of comprehensive income, parent company only statements of changes in equity, and parent company only statements of cash flows for the years ended December 31, 2023 and 2022, and 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 the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

#### Sales revenue

Please refer to Note 4.16 for details of the accounting policies for revenue recognition and to Note 5.2.1 and Note 6.19 for the disclosures related to revenue.

Description on the key audit matter:

Sales revenue is the main indicator that investors and management use to evaluate the Company's financial and operating performances. Since the timing and amount of revenue recognition are material to the financial statements, revenue recognition is one of the most important matters in our audit of the financial statements.

Audit procedures in response:

Our main audit procedures include: Tested the effectiveness of the design and execution of the internal controls governing sales and payment-collection operating cycles and reviewed major contracts to evaluate whether the revenue recognition is appropriate; Understood the types of products sold to top ten clients, evaluated the reasonableness of sales revenue and days sales outstanding and analyzed if there is any significant abnormality in the changes of the most recent and prior-year clients; Selected a sample of sales transactions for a period before and after the shipment cut-off date and verified the related supporting document to evaluate the correctness of revenue recognition period and whether there is any abnormal revenue voucher, and to understand whether there is any significant sales return/exchange subsequent to the period.

#### Valuation of receivables

Please refer to Note 4.6 for details of the accounting policies for impairment of receivables and to Note 5.2.2, Note 6.3 and Note 6.4 for related disclosures.

Description on the key audit matter:

The net amount of the Company's receivables as of December 31, 2023 is \$1, 155, 853 thousand NTD (net of loss allowance of \$260 thousand NTD). Since the impairment of receivables is based on the management's subjective judgment according to the default risk and expected loss rate of receivables, we have included it as one of the key audit matters in our audit of the financial statements.

Audit procedures in response:

Our main audit procedures include: Assessed the estimation of the loss allowance based on the assumption of default risk and expected loss rate; Reviewed documents inclusive of historical payment collection records, industrial economic situation and credit risk concentration, etc. to evaluate the appropriateness of the estimation methods and assumptions and of related disclosures in the financial statements.

#### Valuation of inventories

Please refer to Note 4.7 for details of the accounting policies for inventories and to Note 5.2.6 and Note 6.5 for related disclosures.

Description on the key audit matter:

The net amount of the Company's inventories as of December 31, 2023 is \$114, 399 thousand NTD (net of the loss allowance on inventories of \$5, 242 thousand NTD). The inventories are mainly switching power supplies, etc. Due to rapid change of technology and production technology advancement, the original products may become obsolete or no longer satisfy the market demands, and the sales needs and prices of the relevant products may fluctuate dramatically. Considering that valuation of inventories is related to material judgement and estimation, we include valuation of inventories as one of the key audit matters in our audit of the financial statements.



Audit procedures in response:

Our main audit procedures include: Assessed the reasonableness of accounting policies addressing inventory valuation; Reviewed inventory aging reports to analyze changes in inventory age and assessed whether the inventory valuations are performed according to the accounting policies; Understood and assessed reasonableness of net realizable value adopted by the management, selected samples and verified the related supporting documents to test the correctness of the amounts, along with assessment on the appropriateness of the management's disclosures on valuation of inventories.

### **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 of the Republic of China, and for such internal control as management determines 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 also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 auditing standards of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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 the Company 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Chih-Lung and Chen, Chao-Hui.

Crowe (TW) CPAs  
Taipei, Taiwan  
Republic of China

March 11, 2024

Notice to Readers

*The accompanying parent company only 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 accepted and 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 parent company only financial statements shall prevail.*

## (Annex 4)

Sea Sonic Electronics Co., Ltd.  
Parent Company Only Balance Sheets  
December 31, 2023 and 2022

Code	Assets	In thousands of NTD			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6.1)	\$ 1, 256, 165	31	\$ 1, 128, 971	32
1110	Financial assets at FVTPL - current (Note 6.2)	379, 168	10	354, 930	10
1150	Notes receivable, net (Note 6.3)	25, 691	1	24, 392	1
1170	Accounts receivable, net (Notes 6.4)	191, 281	5	289, 152	8
1180	Accounts receivable – related parties, net (Note 6.4, Note 7)	938, 881	24	404, 528	11
1200	Other receivables	8, 775	–	5, 446	–
1210	Other receivables – related parties (Note 7)	754	–	263, 738	7
130x	Inventories (Note 6.5)	114, 399	3	179, 053	5
1410	Prepayments (Note 7)	188, 980	5	162, 203	5
1476	Other financial assets - current (Note 6.6)	63, 171	2	10, 559	–
1479	Other current assets	8, 706	–	8, 160	–
11xx	Total current assets	3, 175, 971	81	2, 831, 132	79
	Noncurrent assets				
1550	Investments accounted for using equity method (Note 6.7)	331, 212	9	343, 882	10
1600	Property, plant and equipment (Note 6.8)	170, 573	4	183, 132	5
1755	Right-of-use assets (Note 6.9)	12, 197	–	1, 292	–
1780	Intangible assets	1, 901	–	–	–
1840	Deferred income tax assets (Note 6.25)	32, 325	1	15, 105	–
1915	Prepayments for equipment (Note 7)	–	–	71	–
1920	Refundable deposits	856	–	678	–
1980	Other financial assets - noncurrent (Note 6.10)	206, 062	5	200, 622	6
1995	Other noncurrent assets	2, 473	–	4, 104	–
15xx	Total noncurrent assets	757, 599	19	748, 886	21
1xxx	Total Assets	\$ 3, 933, 570	100	\$ 3, 580, 018	100

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Code	Liabilities and Equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 6.19)	\$ 2,980	–	\$ 4,292	–
2170	Accounts payable	80,040	2	7,540	–
2200	Other payables	73,789	2	81,178	2
2220	Other payables – related parties (Note 7)	–	–	23	–
2230	Current-period income tax liabilities	117,552	3	140,631	4
2250	Provision - current (Note 6.11)	8,686	–	6,631	–
2280	Lease liabilities - current (Note 6.9)	2,458	–	1,306	–
2300	Other current liabilities (Note 6.12)	45,349	1	33,209	1
21xx	Total current liabilities	330,854	8	274,810	7
	Noncurrent liabilities				
2530	Corporate bonds payable (Note 6.13)	392,425	10	587,293	17
2570	Deferred income tax liabilities (Note 6.25)	43,997	1	35,977	1
2580	Lease liabilities - noncurrent (Note 6.9)	9,758	–	–	–
2645	Guarantee deposits received	24	–	24	–
2650	Credit balance of investments accounted for using equity method (Note 6.7)	101,410	3	39,207	1
25xx	Total noncurrent liabilities	547,614	14	662,501	19
2xxx	Total liabilities	878,468	22	937,311	26
	Equity				
	Share capital (Note 6.15)				
3110	Common shares	823,582	21	799,532	22
3130	Bond conversion entitlement certificates	–	–	–	–
3100	Total share capital	823,582	21	799,532	22
3200	Capital surplus (Note 6.16)	273,136	7	95,714	3
	Retained earnings (Note 6.17)				
3310	Legal reserve	688,633	18	643,610	18
3320	Special reserve	18,163	–	27,520	1
3350	Unappropriated retained earnings	1,273,768	33	1,094,494	31
3300	Total retained earnings	1,980,564	51	1,765,624	50
3400	Other equity (Note 6.18)				
3410	Exchange differences arising from translation of foreign operations	( 22,180)	( 1)	( 18,163)	( 1)
3xxx	Total equity	3,055,102	78	2,642,707	74
	Total liabilities and equity	\$ 3,933,570	100	\$ 3,580,018	100

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

Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO

## (Annex 5)

Sea Sonic Electronics Co., Ltd.  
Parent Company Only Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

		In thousands of NTD			
Code	Item	2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6.19)	\$ 3,341,081	100	\$ 2,396,811	100
5000	Operating costs (Note 6.5)	( 2,293,522)	( 69)	( 1,719,782)	( 71)
5900	Gross profit (loss) from operations	1,047,559	31	677,029	29
5910	Unrealized profit (loss) from sales	( 241,916)	( 7)	( 131,963)	( 6)
5920	Realized profit (loss) from sales	131,963	4	129,010	5
5950	Gross profit (loss) from operations, net	937,606	28	674,076	28
	Operating expenses				
6100	Selling expenses	( 66,976)	( 2)	( 59,237)	( 2)
6200	Administrative expenses	( 97,488)	( 2)	( 81,413)	( 4)
6300	Research and development expenses	( 50,674)	( 2)	( 58,708)	( 2)
6450	Profit (loss) on expected credit impairment	( 14)	-	( 1)	-
6000	Total operating expenses	( 215,152)	( 6)	( 199,359)	( 8)
6900	Operating income (loss)	722,454	22	474,717	20
	Non-operating income and expenses				
7100	Interest income (Note 6.20)	58,115	2	21,991	1
7010	Other income (Note 6.21)	6,493	-	10,841	-
7020	Other gains and losses (Note 6.22)	( 29,069)	( 1)	205,401	8
7050	Finance costs (Note 6.24)	( 6,722)	-	( 7,515)	-
7070	Share of profit or loss of subsidiary, associates and joint venture entity under equity method	40,099	1	( 130,088)	( 5)
7000	Total non-operating income and expenses	68,916	2	100,630	4
7900	Net income (loss) before income tax	791,370	24	575,347	24
7950	Income tax (expense) benefit (Note 6.25)	( 176,664)	( 5)	( 125,121)	( 5)
8200	Net income (loss)	614,706	19	450,226	19
	Other comprehensive income or loss for the year (Note 6.26)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising from translation of foreign operations	( 5,021)	-	11,696	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	1,004	-	( 2,339)	-
		( 4,017)	-	9,357	-
8300	Other comprehensive income (loss) for the year ,net	( 4,017)	-	9,357	-
8500	Total Comprehensive Income for the Year	\$ 610,689	19	\$ 459,583	19
	Earnings per share				
9750	Basic earnings per share (Note 6.27)	\$ 7.58		\$ 5.63	
9850	Diluted earnings per share (Note 6.27)	\$ 7.20		\$ 5.23	

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

Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO

**(Annex 6)**

Sea Sonic Electronics Co., Ltd.  
Parent Company Only Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022

In thousands of NTD								
Item	Share capital			Retained earnings			Other equity	Total equity
	Common share	Bond conversion entitlement certificates	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange difference arising from translation of foreign operations	
Balance on January 1, 2022	\$ 799, 532		\$ 95, 714	\$ 568, 355	\$ 19, 139	\$ 1, 127, 670	(\$ 27, 520)	\$ 2, 582, 890
Appropriation and distribution of Earnings								
Legal reserve	-		-	75, 255	-	( 75, 255)	-	-
Special reserve	-		-	-	8, 381	( 8, 381)	-	-
Cash dividends from common shares	-		-	-	-	( 399, 766)	-	( 399, 766)
Net income (net loss) for the year 2022	-		-	-	-	450, 226	-	450, 226
Other comprehensive income (loss) for 2022	-		-	-	-	-	9, 357	9, 357
Total comprehensive income (loss) for 2022	-		-	-	-	450, 226	9, 357	459, 583
Balance on December 31, 2022	799, 532		95, 714	643, 610	27, 520	1, 094, 494	( 18, 163)	2, 642, 707
Appropriation and Distribution of Earnings								
Legal reserve	-		-	45, 023	-	( 45, 023)	-	-
Reversal of special reserve	-		-	-	( 9, 357)	9, 357	-	-
Cash dividends from common shares	-		-	-	-	( 399, 766)	-	( 399, 766)
Changes in other capital surplus	-		6	-	-	-	-	6
Net income (net loss) for 2023	-		-	-	-	614, 706	-	614, 706
Other comprehensive income (loss) for 2023	-		-	-	-	-	( 4, 017)	( 4, 017)
Total comprehensive income (loss) for 2023	-		-	-	-	614, 706	( 4, 017)	610, 689
Convertible bonds converted	-	24, 050	177, 416	-	-	-	-	201, 466
Bond conversion entitlement certificates	24, 050	( 24, 050)	-	-	-	-	-	-
Balance on December 31, 2023	\$ 823, 582	\$ -	\$ 273, 136	\$ 688, 633	\$ 18, 163	\$ 1, 273, 768	(\$ 22, 180)	\$ 3, 055, 102

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

Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO

**(Annex 7)**

Sea Sonic Electronics Co., Ltd.  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Item	In thousand NTD	
	2023	2022
Cash flows from operating activities		
Income (loss) before income tax, net	\$ 791,370	\$ 575,347
Adjustment items		
Depreciation expense	13,859	15,371
Amortization expense	3,147	4,082
Expected credit loss (benefit)	14	1
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	( 12,283)	6,109
Interest expense	6,722	7,515
Interest income	( 58,115)	( 21,991)
Share of profit or loss of subsidiaries, associates, and joint ventures under equity method	( 40,099)	130,088
Loss (benefit) on disposal and scrapping of property, plant and equipment	( 409)	( 68)
Unrealized sales profit (loss)	71	–
Realized sales profit (loss)	241,916	131,963
Unamortized expense transferred to expense	( 131,963)	( 129,010)
Changes in operating assets / liabilities, net	700	660
Changes in operating assets, net		
Decrease (increase) in notes receivable	( 1,313)	( 147)
Decrease (increase) in accounts receivable	97,871	411,164
Decrease (increase) in accounts receivable – related parties	( 534,353)	74,453
Decrease (increase) in other receivables	293	4,925
Decrease (increase) in other receivables – related parties	( 398)	894
Decrease (increase) in inventories	64,654	( 57,404)
Decrease (increase) in prepayments	( 26,777)	( 160,609)
Decrease (increase) in other current assets	( 546)	( 5,960)
Changes in operating liabilities, net		
Increase (decrease) in contract liabilities	( 1,312)	( 1,565)
Increase (decrease) in accounts payable	72,500	785
Increase (decrease) in accounts payable – related parties	–	( 17,895)
Increase (decrease) in other payables	( 7,389)	( 15,074)
Increase (decrease) in other payables – related parties	( 23)	( 96)

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Increase (decrease) in provision for liabilities	2, 055	1, 234
Increase (decrease) in other current liabilities	12, 140	4, 482
Cash flows from (used in) operations	<u>492, 332</u>	<u>959, 254</u>
Interest received	56, 831	17, 452
Interest paid	( 43)	( 20)
Income tax refunds (paid)	( 207, 939)	( 155, 302)
Net cash flows from (used in) operating activities	<u>341, 181</u>	<u>821, 384</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	( 242, 037)	( 24, 647)
Disposal of financial assets at fair value through profit or loss	230, 000	129, 327
Acquisition of investments accounted for using equity method	–	( 40, 000)
Acquisition of property, plant and equipment	( 2, 136)	( 7, 159)
Disposal of property, plant and equipment	2, 958	4, 468
Decrease (increase) in refundable deposits	( 178)	4
Decrease (increase) in other receivables – related parties	261, 043	( 261, 043)
Acquisition of tangible assets	( 2, 262)	–
Decrease (increase) in other financial assets	( 58, 052)	( 18, 594)
Decrease (increase) in other non-current assets	( 1, 855)	( 1, 456)
Decrease (increase) in prepayments for equipment	–	( 11, 717)
Net cash flows from (used in) investing activities	<u>187, 481</u>	<u>( 230, 817)</u>
Cash flows from financing activities		
Increase (decrease) in deposits received	–	( 9)
Lease principal repayment	( 1, 708)	( 1, 552)
Cash dividends paid	( 399, 766)	( 399, 766)
Other financing activities	6	–
Net cash flows from (used in) financing activities	<u>( 401, 468)</u>	<u>( 401, 327)</u>
Increase (decrease) in cash and cash equivalents for the period	127, 194	189, 240
Cash and cash equivalents at beginning of period	1, 128, 971	939, 731
Cash and cash equivalents at end of period	<u>\$ 1, 256, 165</u>	<u>\$ 1, 128, 971</u>

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

Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO



(Annex 8)



國富浩華聯合會計師事務所

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## Independent Auditors' Report

To: Sea Sonic Electronics Co., Ltd.

### Opinion

We have audited the consolidated financial statements of Sea Sonic Electronics Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2023 and 2022, 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 Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

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

#### Sales revenue

Please refer to Note 4.17 for details of the accounting policies for revenue recognition and to Note 5.2.1 and Note 6.20 for the disclosures related to revenue.

Description on the key audit matter:

Sales revenue is the main indicator that investors and management use to evaluate the Group's financial and operating performances. Since the timing and amount of revenue recognition are material to the financial statements, revenue recognition is one of the most important matters in our audit of the financial statements.

Audit procedures in response:

Our main audit procedures include : Tested the effectiveness of the design and execution of the internal controls governing sales and payment-collection operating cycles and reviewed major contracts to evaluate whether the revenue recognition is appropriate; Understood the types of products sold to top ten clients, evaluated the reasonableness of sales revenue and days sales outstanding and analyzed if there is any significant abnormality in the changes of the most recent and prior-year clients; Selected a sample of sales transactions for a period before and after the shipment cut-off date and verified the related supporting document to evaluate the correctness of revenue recognition period and whether there is any abnormal revenue voucher, and to understand whether there is any significant sales return/exchange subsequent to the period.

#### Valuation of receivables

Please refer to Note 4.7 for details of the accounting policies for impairment of receivables and to Note 5.2.2, Note 6.3 and Note 6.4 for related disclosures.

Description on the key audit matter:

The net amount of the Group's receivables as of December 31, 2023 is \$395,342 thousand NTD (net of loss allowance of \$1,175 thousand NTD). Since the impairment of receivables is based on the management's subjective judgment according to the default risk and expected loss rate of receivables, we have included it as one of the key audit matters in our audit of the financial statements.

Audit procedures in response:

Our main audit procedures include : Assessed the estimation of the loss allowance based on the assumption of default risk and expected loss rate ; Reviewed documents inclusive of historical payment collection records, industrial economic situation and credit risk concentration, etc. to evaluate the appropriateness of the estimation methods and assumptions and of related disclosures in the financial statements.

#### Valuation of inventories

Please refer to Note 4.8 for details of the accounting policies for inventories and to Note 5.2.6 and Note 6.5 for related disclosures.

Description on the key audit matter:

The net amount of the Group's inventories as of December 31, 2023 is \$1,110,184 thousand NTD (net of the loss allowance on inventories of \$58,113 thousand NTD). The inventories are mainly switching power supplies, etc. Due to rapid change of technology and production technology advancement, the original products may become obsolete or no longer satisfy the market demands, and the sales needs and prices of the relevant products may fluctuate dramatically.

Considering that valuation of inventories is related to material judgement and estimation, we include valuation of inventories as one of the key audit matters in our audit of the financial statements.

#### Audit procedures in response

Our main audit procedures include: Assessed the reasonableness of accounting policies addressing inventory valuation; Reviewed inventory aging reports to analyze changes in inventory age and assessed whether the inventory valuations are performed according to the accounting policies; Understood and assessed reasonableness of net realizable value adopted by the management, selected samples and verified the related supporting documents to test the correctness of the amounts, along with assessment on the appropriateness of the management's disclosures on valuation of inventories.

#### Other Matters

We have also audited the parent company only financial statements of Sea Sonic Electronics Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines 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 also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 auditing standards of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Lin, Chih-Lung and Chen, Chao-Hui.

Crowe (TW) CPAs  
Taipei, Taiwan  
Republic of China

March 11, 2024

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 accepted and 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.*

## (Annex 9)

Sea Sonic Electronics Co., Ltd. and its Subsidiaries  
Consolidated Balance Sheets  
December 31, 2023 and 2022

Code	Assets	In thousands of NTD			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6.1)	\$ 1, 513, 896	35	\$ 1, 384, 168	36
1110	Financial assets at FVTPL - current (Note 6.2)	381, 404	9	357, 136	9
1150	Notes receivable, net (Note 6.3)	25, 691	1	24, 392	1
1170	Accounts receivable, net (Notes 6.4)	369, 651	9	434, 630	11
1200	Other receivables	14, 645	–	6, 396	–
1220	Current-period income tax assets	4, 888	–	3	–
130x	Inventories (Note 6.5)	1, 110, 184	26	979, 830	26
1410	Prepayments	127, 661	3	107, 878	3
1476	Other financial assets - current (Note 6.6)	63, 171	2	10, 559	–
1479	Other current assets	8, 706	–	8, 234	–
11xx	Total current assets	3, 619, 897	85	3, 313, 226	86
	Non-current assets				
1600	Property, plant and equipment (Note 6.7)	197, 122	5	210, 138	6
1755	Right-of-use assets (Note 6.8)	70, 709	2	40, 914	1
1780	Intangible assets (Note 6.9, Note 7)	28, 568	1	10, 000	–
1840	Deferred tax assets (Note 6.26)	111, 284	3	64, 256	2
1915	Prepayments for equipment	–	–	71	–
1920	Refundable deposits	12, 275	–	2, 106	–
1980	Other financial assets - noncurrent (Note 6.10)	206, 062	4	200, 622	5
1995	Other noncurrent assets	4, 952	–	6, 658	–
15xx	Total noncurrent assets	630, 972	15	534, 765	14
1xxx	Total assets	\$ 4, 250, 869	100	\$ 3, 847, 991	100

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Code	Liabilities and Equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 6.20)	\$ 31,362	1	\$ 15,420	–
2170	Accounts payable	360,765	8	221,686	6
2200	Other payables (Note 6.11)	112,748	3	113,547	3
2230	Current-period income tax liabilities	118,554	3	143,998	4
2250	Provision - current (Note 6.12)	10,928	–	8,912	–
2280	Lease liabilities - current (Note 6.8)	16,134	–	13,094	–
2300	Other current liabilities (Note 6.13)	53,411	1	34,217	1
21xx	Total current liabilities	703,902	16	550,874	14
	Noncurrent liabilities				
2530	Corporate bonds payable (Note 6.14)	392,425	10	587,293	15
2570	Deferred tax liabilities (Note 6.26)	43,997	1	35,977	1
2580	Lease liabilities - noncurrent (Note 6.8)	55,419	1	31,116	1
2645	Guarantee deposits received	24	–	24	–
25xx	Total non-current liabilities	491,865	12	654,410	17
2xxx	Total liabilities	1,195,767	28	1,205,284	31
	Equity				
	Equity attributable to owners of the parent				
	Share capital (Note 6.16)				
3110	Common share	823,582	19	799,532	21
3130	Bond conversion entitlement certificates	–	–	–	–
3100	Total share capital	823,582	19	799,532	21
3200	Capital surplus (Note 6.17)				
3280	Capital surplus – others	273,136	6	95,714	2
	Retained earnings (Note 6.18)				
3310	Legal reserve	688,633	16	643,610	17
3320	Special reserve	18,163	–	27,520	1
3350	Unappropriated retained earnings	1,273,768	31	1,094,494	28
3300	Total retained earnings	1,980,564	47	1,765,624	46
3400	Other equity (Note 6.19)				
3410	Exchange differences arising from translation of foreign operations	( 22,180)	–	( 18,163)	–
31xx	Total equity attributable to owners of the parent	3,055,102	72	2,642,707	69
3xxx	Total equity	3,055,102	72	2,642,707	69
	Total liabilities and equity	\$ 4,250,869	100	\$ 3,847,991	100

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

Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO

## (Annex 10)

Sea Sonic Electronics Co., Ltd. and its Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

In thousands of NTD

Code	Item	2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6.20)	\$ 3,333,190	100	\$ 2,554,842	100
5000	Operating costs (Note 6.5)	( 2,193,264)	( 66)	( 1,778,090)	( 69)
5900	Gross profit (loss) from operations	1,139,926	34	776,752	31
	Operating Expenses				
6100	Selling expenses	( 189,928)	( 5)	( 169,717)	( 8)
6200	Administrative expenses	( 136,200)	( 4)	( 114,764)	( 4)
6300	Research and development expenses	( 55,414)	( 2)	( 59,256)	( 2)
6450	Expected credit impairment (loss) benefit	1,870	-	( 2,688)	-
6000	Total operating expenses	( 379,672)	( 11)	( 346,425)	( 14)
6900	Operating income (loss)	760,254	23	430,327	17
	Non-operating income and expenses				
7100	Interest income (Note 6.21)	59,610	2	21,180	1
7010	Other income (Note 6.22)	8,544	-	13,160	1
7020	Other gains and losses (Note 6.23)	( 36,191)	( 1)	145,936	5
7050	Finance costs (Note 6.25)	( 9,792)	-	( 10,113)	-
7000	Total non-operating income and expenses	22,171	1	170,163	7
7900	Net income (loss) before income tax	782,425	24	600,490	24
7950	Income tax (expense) benefit (Note 6.26)	( 167,719)	( 5)	( 150,264)	( 6)
8200	Net income (loss)	614,706	19	450,226	18
	Other comprehensive income or loss for the year (Note 6.27)				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising from translation of foreign operations	( 5,021)	-	11,696	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	1,004	-	( 2,339)	-
		( 4,017)	-	9,357	-
8300	Other comprehensive income (net) for the year	( 4,017)	-	9,357	-
8500	Total comprehensive income for the year	\$ 610,689	19	\$ 459,583	18
8600	Net income (loss) attributable to				
8610	Owners of the parent (net profit/loss)	\$ 614,706		\$ 450,226	
8620	Non-controlling interests (net profit/loss)	-		-	
		\$ 614,706		\$ 450,226	
8700	Total comprehensive income attributable to:				
8710	Owners of the parent (comprehensive income)	\$ 610,689		\$ 459,583	
8720	Non-controlling interests (comprehensive income)	-		-	
		\$ 610,689		\$ 459,583	
	Earnings per share				
9750	Basic earnings per share (Note 6.28)	\$ 7.58		\$ 5.63	
9850	Diluted earnings per share (Note 6.28)	\$ 7.20		\$ 5.23	

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

Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO



## (Annex 11)

Sea Sonic Electronics Co., Ltd. and its Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022

In thousands of NTD

Item	Equity attributable to owners of the parent							Total equity attributable to owners of the parent	Total equity
	Share capital		Retained earnings				Other equity items		
	Common share capital	Bond conversion entitlement certificates	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations		
Balance on January 1, 2022	\$ 799,532	\$ -	\$ 95,714	\$ 568,355	\$ 19,139	\$ 1,127,670	(\$ 27,520)	\$ 2,582,890	\$ 2,582,890
Appropriation and distribution of earnings									
Set aside legal reserve	-	-	-	75,255	-	( 75,255)	-	-	-
Set aside reversal of special reserve	-	-	-	-	8,381	( 8,381)	-	-	-
Cash dividends of common shares	-	-	-	-	-	( 399,766)	-	( 399,766)	( 399,766)
Net income (net loss) for 2022	-	-	-	-	-	450,226	-	450,226	450,226
Other comprehensive income or loss for 2022	-	-	-	-	-	-	9,357	9,357	9,357
Total consolidated profit or loss for 2022	-	-	-	-	-	450,226	9,357	459,583	459,583
Balance on December 31, 2022	799,532	-	95,714	643,610	27,520	1,094,494	( 18,163)	2,642,707	2,642,707
Appropriation and distribution of earnings									
Set aside legal reserve	-	-	-	45,023	-	( 45,023)	-	-	-
Set aside special reserve	-	-	-	-	( 9,357)	9,357	-	-	-
Cash dividends of common shares	-	-	-	-	-	( 399,766)	-	( 399,766)	( 399,766)
Other changes in capital surplus	-	-	6	-	-	-	-	6	6
Net income (net loss) for 2023	-	-	-	-	-	614,706	-	614,706	614,706
Other comprehensive income or loss for 2023	-	-	-	-	-	-	( 4,017)	( 4,017)	( 4,017)
Total consolidated profit or loss for 2023	-	-	-	-	-	614,706	( 4,017)	610,689	610,689
Conversion of convertible bonds	-	24,050	177,416	-	-	-	-	201,466	201,466
Bond conversion entitlement certificates	24,050	( 24,050)	-	-	-	-	-	-	-
Balance on December 31, 2023	\$ 823,582	\$ -	\$ 273,136	\$ 688,633	\$ 18,163	\$ 1,273,768	(\$ 22,180)	\$ 3,055,102	\$ 3,055,102

The accompanying notes are an integral part of the consolidated financial statements.  
Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO

## (Annex 12)

Sea Sonic Electronics Co., Ltd. and its Subsidiaries  
Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

		In thousands of NTD	
Item	2023	2022	
Cash flows from operating activities			
Income (loss) before income tax, net	\$ 782,425	\$ 600,490	
Adjustment items			
Income/gain or expenses/loss items			
Depreciation expense	35,145	38,004	
Amortization expense	4,972	4,522	
Expected credit impairment loss (benefit)	( 1,870)	2,688	
Net loss (gain) on financial assets and liabilities at FVTPL	( 12,313)	6,410	
Interest expense	9,214	9,705	
Interest income	( 59,610)	( 21,180)	
Loss (benefit) on disposal and scrapping of property, plant and equipment	( 878)	766	
Transfer of property, plant and equipment to expense	13	-	
Lease modification benefits	( 3,183)	( 54)	
Prepayment for equipment transferred to expense	71	3	
Unamortized expense transferred to expense	700	660	
Changes in operating assets / liabilities, net			
Changes in operating assets, net			
Decrease (increase) in notes receivable	( 1,313)	( 147)	
Decrease (increase) in accounts receivable	66,810	386,993	
Decrease (increase) in other receivables	( 3,606)	6,909	
Decrease (increase) in inventories	( 129,865)	206,574	
Decrease (increase) in prepayments	( 19,783)	32,473	
Decrease (increase) in other current assets	( 472)	( 1,046)	
Changes in operating liabilities, net			
Increase (decrease) in contract liabilities	15,942	( 33,168)	
Increase (decrease) in accounts payable	139,079	( 392,995)	
Increase (decrease) in other payables	( 799)	( 43,423)	
Increase (decrease) in provisions	2,016	1,139	
Increase (decrease) in other current liabilities	19,194	( 1,004)	
Cash flows from (used in) operations	841,889	804,319	
Interest received	54,964	18,780	
Interest paid	( 2,535)	( 2,210)	
Income tax refunds (paid)	( 235,763)	( 182,907)	
Net cash flows from (used in) operating activities	658,555	637,982	

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Cash flows from investing activities		
Acquisition of financial assets at FVTPL	( 242, 078)	( 24, 647)
Disposal of financial assets at FVTPL	230, 000	133, 240
Acquisition of property, plant and equipment	( 10, 385)	( 8, 798)
Disposal of property, plant and equipment	3, 566	4, 591
Decrease (increase) in refundable deposits	( 10, 169)	3, 739
Acquisition of intangible assets	( 20, 262)	( 10, 000)
Decrease (increase) in other financial assets	( 58, 052)	( 18, 594)
Decrease (increase) in other noncurrent assets	( 2, 335)	( 1, 456)
Decrease (increase) in prepayments for equipment	-	( 11, 800)
Net cash flows from (used in) investing activities	( 109, 715)	66, 275
Cash flows from financing activities		
Increase (decrease) in guarantee deposits received	-	( 9)
Lease principal repayment	( 14, 334)	( 12, 614)
Cash dividends paid	( 399, 766)	( 399, 766)
Other financing activities	6	-
Net cash flows from (used in) financing activities	( 414, 094)	( 412, 389)
Effect of exchange rate changes on cash and cash equivalents	( 5, 018)	7, 879
Increase (decrease) in cash and cash equivalents for the period	129, 728	299, 747
Cash and cash equivalents at beginning of period	1, 384, 168	1, 084, 421
Cash and cash equivalents at end of period	\$ 1, 513, 896	\$ 1, 384, 168

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

Chairman: CHANG, HSIU-CHENG    Manager: LAN, JIEN-TONG    CAO: CHANG, EN-HAO

(Annex 13)

**Sea Sonic Electronics Co., Ltd.**  
**Comparison Table of “Articles of Incorporation”**

After the Revision	Before the Revision	Explanation
<p>Article 14-1</p> <p>Of the aforementioned number of directors of the Company, <u>directors of different genders shall not be fewer than 1</u>, and the number of independent directors shall not be fewer than 3 and not less than <u>one-third</u> of the director seats. Independent directors are elected by shareholders from a list of independent director candidates in accordance with the nomination system. <u>More than half of the independent directors shall not serve more than three consecutive terms.</u></p> <p>The nomination method shall be handled in accordance with Article 192-1 of the Company Act. Matters related to the professional qualifications, shareholding, concurrent job restrictions, nomination and election methods, and other compliance matters of independent directors shall be handled in accordance with the relevant regulations of the securities competent authority.</p>	<p>Article 14-1</p> <p>Of the aforementioned number of directors of the company, no less than 3 or less than 1/5 of the director seats should be independent directors. Independent directors are elected by shareholders from a list of independent director candidates in accordance with the nomination system. The nomination method shall be handled in accordance with Article 192-1 of the Company Act. Matters related to the professional qualifications, shareholding, concurrent job restrictions, nomination and election methods, and other compliance matters of independent directors shall be handled in accordance with the relevant regulations of the securities competent authority.</p>	<p>To comply with the regulatory authority's "Sustainable Development Action Plan for TWSE- and TPEX-Listed Companies (2023)" and to deepen the corporate sustainable governance culture, it is stipulated as follows:</p> <ol style="list-style-type: none"><li>1. Gender diversity among directors</li><li>2. Enhancement of the functions of independent directors and the audit committee.</li></ol>
<p>Article 18</p> <p>The company may set up <u>managerial officers</u>. Their appointment, dismissal, and remuneration are handled in accordance with Article 29 of the Company Act.</p>	<p>Article 18</p> <p>The company may set up several <u>Presidents and Vice Presidents</u>. Their appointment, dismissal, and remuneration are handled in accordance with Article 29 of the Company Act.</p>	<p>Amended in line with the Company's operations</p>
<p>Article 23</p> <p>The Articles was established on September 19, 1975.</p> <p>The first revision was made on February 20, 1982.</p> <p>The second revision was made on March 5, 1985.</p> <p>The third revision was made on December 19, 1986.</p> <p>The fourth revision was made on May 16, 1988.</p> <p>The fifth revision was made on November 11, 1990.</p> <p>The sixth revision was made on May 30, 1996.</p> <p>The seventh revision was made on June 25, 1996.</p> <p>The eighth revision was made on December 9, 1997.</p> <p>The ninth revision was made on June 25, 1998.</p> <p>The tenth revision was made on June 20,</p>	<p>Article 23</p> <p>The Articles was established on September 19, 1975.</p> <p>The first revision was made on February 20, 1982.</p> <p>The second revision was made on March 5, 1985.</p> <p>The third revision was made on December 19, 1986.</p> <p>The fourth revision was made on May 16, 1988.</p> <p>The fifth revision was made on November 11, 1990.</p> <p>The sixth revision was made on May 30, 1996.</p> <p>The seventh revision was made on June 25, 1996.</p> <p>The eighth revision was made on December 9, 1997.</p> <p>The ninth revision was made on June 25, 1998.</p> <p>The tenth revision was made on June 20,</p>	<p>Added the amendment date</p>

<p>1999. The eleventh revision was made on June 30, 2000. The twelfth revision was made on June 15, 2001. The thirteenth revision was made on March 28, 2002. The fourteenth revision was made on June 24, 2003. The fifteenth revision was made on June 15, 2004. The sixteenth revision was made on June 14, 2005. The seventeenth revision was made on June 23, 2006. The eighteenth revision was made on June 15, 2007. The nineteenth revision was made on June 11, 2010. The twentieth revision was made on June 15, 2011. The twenty-first revision was made on June 18, 2012. The twenty-second revision was made on June 24, 2015. The twenty-third revision was made on June 29, 2016. The twenty-fourth revision was made on June 12, 2020. The twenty-fifth revision was on June 16, 2022. <u>The twenty-sixth revision was on June 21, 2024.</u></p>	<p>1999. The eleventh revision was made on June 30, 2000. The twelfth revision was made on June 15, 2001. The thirteenth revision was made on March 28, 2002. The fourteenth revision was made on June 24, 2003. The fifteenth revision was made on June 15, 2004. The sixteenth revision was made on June 14, 2005. The seventeenth revision was made on June 23, 2006. The eighteenth revision was made on June 15, 2007. The nineteenth revision was made on June 11, 2010. The twentieth revision was made on June 15, 2011. The twenty-first revision was made on June 18, 2012. The twenty-second revision was made on June 24, 2015. The twenty-third revision was made on June 29, 2016. The twenty-fourth revision was made on June 12, 2020. The twenty-fifth revision was on June 16, 2022.</p>	
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# Attachment

## Attachment (1)

### Sea Sonic Electronics Co., Ltd. Rules of Procedure of Shareholders' Meeting

#### Article 1 Legal Basis

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

#### Article 2 Meeting Call

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, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

#### Article 3 Meeting Notice

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. When the shareholders' meeting is held by video conference, the method of shareholder participation and exercise of rights, the procedure for dealing with obstacles to the video conference platform or video participation due to force majeure, the date of postponement or continuation of the meeting, and other matters to be noted should be recorded. 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.

#### Article 4 Attendance check-in

The time during which shareholder attendance registrations will be accepted, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

The shareholders' meeting is signed in by the shareholders submitting their sign-in cards. The number of shares attending is calculated by adding the number of shares voted electronically to the number of shares on the sign-in cards submitted. However, shares that vote electronically and personally attend the shareholders' meeting cannot be double-counted.

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

In the event of a virtual shareholders meeting, the Company 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 5 Power of Attorney**

If the company's shareholders cannot attend the shareholders' meeting in person, they can issue a power of attorney issued by our company stating that they authorize a proxy to attend.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 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 the Company, 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 the Company before 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 the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### **Article 6 Voting Rights**

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

When our company convenes a shareholders' meeting, shareholders can choose to exercise their voting rights by electronic or on-site voting methods.

Shareholders who exercise their voting rights electronically should follow the provisions of the Company Act, Securities Exchange Law, and the Handling Rules for Stock Affairs of Publicly Listed Companies (hereinafter referred to as the Handling Rules), and exercise their voting rights on the electronic voting platform designated by our company.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 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.

When a shareholder votes by written or electronic means and authorizes a proxy to attend the shareholders' meeting with a power of attorney, the voting rights exercised by the proxy are valid.

#### **Article 7 Audio Recording**

The process of the shareholders' meeting is recorded in audio or video, the recorded materials shall be retained for at least one 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, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

#### **Article 8 Announcing the meeting**

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 4

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

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

#### **Article 9 Agenda Scheduling**

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. 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 order is chaotic or there are other situations that make it difficult for the meeting to proceed normally, the chairman can announce the adjournment.

After the meeting is adjourned, the shareholders are not allowed to elect another chairman for the meeting at the same place or another venue.

#### **Article 10 Shareholder Proposal**

A shareholder holding at least 1% of the issued shares may propose in writing to the Company a motion for an ordinary shareholders' meeting, but only one proposal shall be included in the motion. In addition, the Board of Directors may not include a proposal submitted by a shareholder under any of the circumstances set forth in Paragraph 4 of Article 172-1 of the Company Act.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals, 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, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### **Article 11 Shareholder Speech**

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



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

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

If a shareholder restricts the authority of a proxy in a power of attorney or otherwise, the speech or vote of the proxy shall prevail, regardless of whether it is known to the Company.

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 the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 7 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

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

## **Article 12 Motion Voting**

The chairman, when deeming the discussion on the motion to have reached a level where it can be put to a vote, may announce the end of the discussion and put it to a vote. If there are no objections after the chairman's on-the-spot inquiry, it is considered passed; if the chairman announces that the vote will be done by voting, multiple motions can be voted on at the same time, each decided separately.

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

The results of the voting, including both the on-site votes and electronic votes, will be reported on the spot and recorded. The voting officers will seal the on-site ballots along with the electronic voting data, and after signing or stamping them, hand them over to the company for preservation.

The results of the electronic voting mentioned above should be verified and calculated by an organization that complies with Article 44-6 of the Share Handling Rules before the shareholder meeting.

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

When the Company convenes a hybrid shareholders meeting, if shareholders, Solicitor or attorney-in-fact, who have registered to attend the meeting online in accordance with Article 4 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.

When a meeting is in progress, the chair may announce a break based on time considerations.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the

attending shareholders and by the exercise of electronic voting.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

#### **Article 13** Catalog production and distribution

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.

The Company 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 or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened in video conference, 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 disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events.

#### **Article 14** Video Conference Information Disclosure

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

#### **Article 15** Video of the chairman and recorder of the shareholders' meeting

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

When the company holds a virtual shareholders' meeting, it should provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting via video.

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 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 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.

#### **Article 16** Other Matters

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

#### **Article 17** Implementing

The Rule shall be implemented after being passed by the board of directors and at the shareholders' meeting, and the same applies when they are amended.

These rules of procedure were established on March 28, 2002.

First revision was made on June 20, 2006.

Second revision was made on June 18, 2012.

Third revision was made on June 20, 2017.

Fourth revision was made on June 12, 2020.

Fifth revision was made on June 16, 2022.

## **Attachment (2)**

### **Sea Sonic Electronics Co., Ltd. Articles of Incorporation**

#### **Chapter 1 General Provisions**

##### **Article 1**

This company is organized in accordance with the Company Act and is named as SEA SONIC ELECTRONICS CO., LTD..

##### **Article 2**

The businesses of this company are as follows:

1. Manufacturing, repair, and contract engineering of various types of radios, tape recorders, instruments, and amplifiers.
2. 買 Purchase, sale, import, and export procurement of the aforementioned equipment.
3. Sale of tape recorders, automatic controllers, electromechanical and tool equipment, and electronic educational equipment.
4. Import and export trade related to the aforementioned items, and quotation tendering and distributor business for domestic and foreign manufacturers.
5. Manufacturing, processing, and related electronic parts purchase and sale of various electronic instruments (excluding licensed businesses) and computer peripheral equipment.
6. Apart from the permitted business (code ZZ99999), the company is allowed to operate businesses that are not prohibited or restricted by law.

##### **Article 2-1**

The company may endorse and guarantee on behalf of others due to business needs.

##### **Article 3**

The company's head office is located in Taipei City, and it may set up branches at home and abroad as deemed necessary by the board of directors.

##### **Article 4**

The company may make overseas investment exceeding forty percent of the paid-up capital due to business needs.

##### **Article 5**

The company's announcement method shall be handled in accordance with Article 28 of the Company Act.

#### **Chapter 2 Shares**

##### **Article 6**

The company's capital stock is set at one billion and five hundred million New Taiwan Dollars, divided into one hundred and fifty million shares, with a par value of ten New Taiwan Dollars per share. The board of directors is authorized to issue the unissued shares in installments.

##### **Article 7**

The company's shares are all registered shares. They are issued after being signed or sealed by a director representing the company and legally certified, or they can be exempted from printing but must be registered with the Taiwan Securities Central Depository. To facilitate share affairs processing, large-denomination securities can be consolidated and reissued at the request of the Taiwan Securities Central Depository.

##### **Article 8**

The company's share affairs processing shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies " issued by the competent authority.

##### **Article 9**

The renaming or transfer of shares shall not be done within sixty days before the annual shareholders' meeting, thirty days before the extraordinary shareholders' meeting, or five days before the company decides on the record date for dividend and bonus distribution or other benefits.

## **Chapter 3 Shareholders' Meeting**

### **Article 10**

The shareholders' meeting is divided into two types: regular and special. A regular meeting is held once a year within six months after the end of each fiscal year. A special meeting is convened in accordance with relevant laws and regulations when necessary.

When the shareholders' meeting is held, it may be conducted through video conference or other methods announced by the central competent authority.

A regular shareholders' meeting should be announced to all shareholders 30 days before the meeting date, and a special shareholders' meeting should be announced 15 days before the meeting date, stating the date, location, and agenda of the meeting.

### **Article 10-1**

The shareholders' meeting is convened by the board of directors, with the chairman of the board presiding. If the chairman is absent, a director designated by the chairman will act as the representative. If no one is designated, the directors will elect one among them to act as the representative. If the meeting is convened by a person other than the board of directors, that person will act as the chairman. If there is more than one convener, they will elect one among them to act as the chairman.

### **Article 11**

If a shareholder cannot attend the shareholders' meeting due to circumstances, they may authorize a proxy to attend by providing a power of attorney with a scope of authorization issued by the company. The method for proxy attendance by shareholders, unless otherwise provided by the Company Act, shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.

### **Article 12**

Each shareholder of the company, except as restricted and otherwise provided by the Company Act, has one vote per share. However, shares held by the company itself in accordance with the Company Act have no voting rights.

### **Article 13**

Unless otherwise provided by relevant laws and regulations, resolutions of the shareholders' meeting shall be made by shareholders representing more than half of the total issued shares attending personally or by proxy, and with the consent of more than half of the voting rights of the attending shareholders.

## **Chapter 4 Board of Directors and Audit Committee**

### **Article 14**

The company shall have seven to nine directors, with a term of three years. They are elected by the shareholders' meeting from persons with capacity for civil conduct, and may be re-elected. The company's director election adopts a candidate nomination system, and directors are elected from the director candidate list. The total shareholding ratio of all directors of the company is in accordance with the regulations of the securities regulatory authority.

The company may purchase liability insurance for the directors within their term of office for their legal liability for the business they execute. Matters related to the insurance are authorized to be handled by the board of directors.

The remuneration of all directors is authorized to be determined and paid by the board of directors according to the usual level of similar industries.

### **Article 14-1**

Of the aforementioned number of directors of the company, no less than 3 or less than 1/5 of the director seats should be independent directors. Independent directors are elected by shareholders from a list of independent director candidates in accordance with the nomination system. The nomination method shall be handled in accordance with Article 192-1 of the Company Act. Matters related to the professional qualifications, shareholding, concurrent job restrictions, nomination and election methods, and other compliance matters of independent directors shall be handled in accordance with the relevant regulations of the securities competent authority.

### **Article 15**

The board of directors is organized by the directors. A person is elected as the chairman of the board by the attendance of more than two-thirds of the directors and the agreement of more than half of the attending directors. The chairman represents the company externally.

### **Article 16**

When the chairman or a director takes leave or is unable to exercise his/her duties, a representative shall be appointed in accordance with Article 208 and Article 205, and Article 203-1 of the Company Act. During a board meeting, if conducted via video conference, directors attending via video are considered to be present in person. The board of directors meets once every quarter, and all directors should be notified of the reason for the meeting seven days in advance; however, in case of emergencies, the meeting can be convened at any time. The notice of the board meeting can be communicated via written document, fax, or email.

#### **Article 17**

The company sets up an audit committee, which is composed of all independent directors. The number, term, duties, procedural rules, and other matters related to the audit committee are handled in accordance with the regulations of the Audit Committee of Public Companies, and the rules of the audit committee organization are to be established separately.

### **Chapter 5 Managers**

#### **Article 18**

The company may set up several Presidents and Vice Presidents. Their appointment, dismissal, and remuneration are handled in accordance with Article 29 of the Company Act.

### **Chapter 6 Accounting**

#### **Article 19**

At the end of each fiscal year, the company should, in accordance with Article 228 of the Company Act, compile the following documents by the board of directors, and submit them to the audit committee for review and report 30 days before the shareholders' meeting, then submit to the shareholders' meeting for approval:

1. Business report.
2. Financial statements
3. Proposals for profit distribution or loss compensation

#### **Article 20**

If the company makes a profit in a year, it should allocate no less than 2% for employee rewards and no more than 1.5% for director rewards. But if the company still has accumulated losses, it should reserve an amount for compensation in advance. The aforementioned employee rewards can be in stocks or cash, and the recipients include employees of subsidiaries that meet the conditions set by the board of directors. The aforementioned director rewards can only be in cash. The above two matters should be resolved by the board of directors and reported to the shareholders' meeting.

#### **Article 21**

If the company makes a profit in the annual final accounts, it should first pay taxes, compensate for previous losses, and then allocate 10% as legal profit reserve, but this is not limited if the legal profit reserve has reached the company's paid-in capital; the remaining profit, apart from paying dividends, if there are still profits combined with the undistributed profits at the beginning of the period, it can be distributed as shareholder bonuses with the agreement of shareholders.

The company is in the growth stage of the industry. Based on the needs of the company's operations and maximizing shareholder interests, the dividend policy adopts a residual dividend policy. According to the company's future capital budget planning, the future annual capital needs are measured, and the profitability, financial structure, and the degree of dilution of earnings per share are comprehensively considered, and an appropriate dividend distribution is proposed. The method of cash dividend distribution is not less than thirty percent (inclusive) of the total dividends of the year, and can reach up to one hundred percent, and the actual distribution ratio is authorized by the board of directors.

### **Chapter 7 Supplementary Provisions**

#### **Article 22**

Matters not covered in this charter shall be handled in accordance with the Company Act and relevant regulations.

#### **Article 23**

The Articles was established on September 19, 1975.

The first revision was made on February 20, 1982.

The second revision was made on March 5, 1985.

The third revision was made on December 19, 1986.

The fourth revision was made on May 16, 1988.

The fifth revision was made on November 11, 1990.  
The sixth revision was made on May 30, 1996.  
The seventh revision was made on June 25, 1996.  
The eighth revision was made on December 9, 1997.  
The ninth revision was made on June 25, 1998.  
The tenth revision was made on June 20, 1999.  
The eleventh revision was made on June 30, 2000.  
The twelfth revision was made on June 15, 2001.  
The thirteenth revision was made on March 28, 2002.  
The fourteenth revision was made on June 24, 2003.  
The fifteenth revision was made on June 15, 2004.  
The sixteenth revision was made on June 14, 2005.  
The seventeenth revision was made on June 23, 2006.  
The eighteenth revision was made on June 15, 2007.  
The nineteenth revision was made on June 11, 2010.  
The twentieth revision was made on June 15, 2011.  
The twenty-first revision was made on June 18, 2012.  
The twenty-second revision was made on June 24, 2015.  
The twenty-third revision was made on June 29, 2016.  
The twenty-fourth revision was made on June 12, 2020.  
The twenty-fifth revision was on June 16, 2022.

Sea Sonic Electronics Co., Ltd.

Chairman: CHANG, HSIU-CHENG

## **Attachment (3)**

# **Sea Sonic Electronics Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct**

### **Article 1**

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where the Company and its subsidiaries operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties. The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company

### **Article 2**

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

### **Article 3**

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, managerial officers, employees, persons having substantial control, or other interested parties.

### **Article 4**

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

### **Article 5**

The Company designates the Office of the President as the dedicated unit (hereinafter referred to as the Company's dedicated unit) responsible to the Board of Directors for handling the revision, implementation, interpretation, consulting services, and registration and filing of reports related to these Procedures and Guidelines. This unit will also supervise execution and assist in integrating integrity and ethical values into the Company's business strategies, promote and coordinate training on integrity policies, and plan the whistleblower system to ensure effective implementation.

### **Article 6**

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. Compliance with the laws and regulations of the location of operation.
2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.



4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
5. Attendance at folk festivals that are open to and invite the attendance of the general public.
6. Rewards, emergency assistance, condolence payments, or honorariums from the management.
7. Other conduct that complies with the rules of the Company.

#### **Article 7**

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented by the President after being reported and approved.

#### **Article 8**

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

#### **Article 9**

The Company adheres to a stance of political neutrality and does not engage in political donations. Company personnel shall not engage in political activities during work hours or at the workplace, nor shall they post or disseminate political posters, propaganda, or speech materials.

#### **Article 10**

Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions and reported to the President for approval, and a notification shall be given to the responsible unit. When the amount is NT\$1,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.

#### **Article 11**

When a director, officer or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

#### **Article 12**

The Company shall set up a special unit charged with implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures. All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

#### **Article 13**

The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#### **Article 14**

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall formulate and publicly promote product safety instructions on its website to prevent products or services from directly or indirectly harming the rights, health, and safety of consumers.

Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers, the Company shall promptly recall those products or suspend the services, verify the facts, and present a review and improvement plan.

#### **Article 15**

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

#### **Article 16**

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

#### **Article 17**

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

#### **Article 18**

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

#### **Article 19**

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

#### **Article 20**

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.

#### **Article 21**

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports. A whistleblower shall at least furnish the following information:

1. The whistleblower's name and I.D. number and an address, telephone number and e-mail address where it can be reached.
2. The informed party's name or other information sufficient to distinguish its identifying features.
3. Specific facts available for investigation.

Personnel of the Company handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

#### **Article 22**

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

#### **Article 23**

The Company's dedicated unit shall cooperate with legal changes, conduct internal promotion, and convey the importance of integrity.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

#### **Article 24**

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be reported to the shareholders meeting.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

These Procedures were established on March 27, 2015.

First amendment was on March 23, 2020.

**Attachment (4)****Sea Sonic Electronics Co., Ltd.****Directors' Shareholdings**

- 1.The company's paid-in capital is NT\$824,063,700, and the total number of issued shares is 82,406,370.
- 2.According to the "Rules for the Percentage of Shares Held by Directors and Supervisors of Public Companies and the Implementation of Audits", the minimum number of shares to be held by all directors is 6,592,509. The company has established an audit committee, so the statutory provisions for the number of shares to be held by supervisors do not apply.
- 3.As of the record date for the regular shareholders' meeting (April 23, 2024), the number of shares held by directors is recorded in the shareholder register.

April 23, 2024

Position	Name	Number of shares held on the date of cessation of transfer	
		Number of shares (shares)	Shareholding Ratio
Chairman	CHANG, HSIU-CHENG	2,122,666	2.575%
Director	LIN, YAO CHIN	0	0.000%
Director	CHANG, DUN-KAI Representative of CHING HAI Co., Ltd.	6,396,264	7.761%
Director	CHANG, YUN-CHI Representative of CHING HAI Co., Ltd.	6,396,264	7.761%
Independent Director	LIN, CHING- CHING	0	0.000%
Independent Director	HUANG, CHIN-HSIANG	0	0.000%
Independent Director	KAO, CHIH-TING	0	0.000%
Number of shares held by all directors and shareholding ratio		8,518,930	10.337%

# Attachment (5)

## The impact of the proposed free stock distribution on the company's business performance and earnings per share this year

Unit: NT\$

Item		Year	2024 (Estimate)
Paid-in capital at the beginning of period			823,582,380
Dividend distribution for the year (Note 1)	Cash dividends per share (NT\$)		5.0
	Number of shares allotted per share from capitalization of earnings (shares)		-
	Capital surplus to capital allotment per share (shares)		-
Changes in operating results	Operating Income		Not applicable (Note 2)
	Increase (decrease) in operating income over the same period last year		
	Net income after tax		
	Increase (decrease) in net income after tax compared to the same period last year		
	Earnings per share (NT\$)		
	Increase (decrease) in earnings per share from the same period last year		
	Average return on investment (inverse of the average annual cost-benefit ratio)		
Proposed compulsory earnings per share	If the capital surplus is fully transferred to cash dividends	Pro forma earnings per share	Not applicable (Note 2)
		Proposed average annual return on investment	
	If the capital reserve is not transferred to capital	Pro forma earnings per share	
		Proposed average annualized return on investment	
	If capital surplus is not transferred to capital and the capital surplus is transferred to cash dividends	Pro forma earnings per share	
		Proposed average annualized return on investment	

Note 1. The company's estimated stock and dividend distribution situation for 2024 is based on the profit distribution plan approved by the board of directors on March 11, 2024.

Note 2. The company did not disclose financial forecasts for 2024, so there is no need to disclose the estimated business performance, earnings per share, and hypothetical data for 2024.