Stock Symbol: 6129

普誠科技股份有限公司
Princeton Technology Corp.

2023 General Shareholders' Meeting Minutes

Date: June 16, 2023

Place: 2F, No.219-2, Section 3, Zhong Xing Road, Xindian Dist., New Taipei City (The Koos Hotel)

Princeton Technology Corp.
Minutes of 2023 General Shareholders' Meeting

Time: 9:00AM, June 16, 2023

Place: 2F, No.219-2, Section 3, Zhong Xing Road, Xindian Dist., New Taipei City (The Koos Hotel)

Attendance: Shareholders and proxies representing 105,985,706 shares were present at the meeting, which accounted for 58.57%of Company's shares issued and outstanding 180,943,675 shares.

Chaired by: Chairman Richard Chiang **Recorded by: Vanessa Huang**

1. Meeting called to order: The shares held by the attending shareholders and proxies have reached the quorum required and the meeting was called to order.

2. Acts of ceremony.

3. Chairman's address: (omitted)

4. Status report:

(1) FY2022 business report

Shareholder account number 164072 made a statement:

1. The economy in mainland China is tightening, and the proportion of operating income in mainland China has decreased. Can you explain how the company responds to the economic recession in mainland China?
2. The electric vehicle market is gradually expanding, but the company's market share in the electric vehicle market does not seem to be high. Can you explain it?
3. The inventory balance has increased by more than 300 million compared with last year. Can you explain the current situation of depletion?

The chairman and chief financial officer explained the reply as follows:

1. The proportion of operating income in China has decreased from 34% last year to 14% in the first quarter of this year, mainly due to the continued sluggish demand in China. This year, we will aim to increase operating income in other regions such as the Japanese market as a response.
2. Last year, the company's automotive market application products accounted for about 50% of its operating income. It mainly supplies the Japanese market. It is expected that the proportion of Japan will continue to increase this year. At present, electric vehicles are a trend. It is estimated that electric vehicles will account for about 5-10% of the global automobile market this year, and it should exceed 10% next year. The proportion of electric vehicles is still low, and we will continue to work hard to increase its market share in the future.
3. The increase in inventory balance is mainly due to the sluggish demand in the Chinese market, resulting in a slower-than-expected sell-off situation, which eased slightly in the first quarter of this year, and is expected to ease even more after the second quarter.

(2) Audit Committee's review report

Shareholder account number 164072 made a statement:

1. The company invested in Microlink. The book value of this company has been reduced to zero but it still continues to lose money. How to deal with it afterwards?
2. The company invested in Morelink and Foresight Energy. These two companies are

still losing money. May I ask the reason for the company's investment?

3. The annual report shows that Xinxin Co., Ltd., the legal person director, and its representatives have disposed of some stocks. May I ask whether they have withdrawn from the company?

The chairman and chief financial officer explained the reply as follows:

1. The company invested in 25% of Microlink, and the account has been recognized to zero. Microlink has no business activities, so the company has not continued to recognize it.
2. Electric vehicles mainly have three components, electrode motor, electric control and battery. The core materials of batteries include anode, cathode, separator and electrolyte. Foresight Energy is one of the few companies that make separator materials for lithium batteries. The current market response is good and hope it can be reflected in the reinvestment effect afterwards. Morelink Technology is a company engaged in wireless communication and mobile phone optimization network equipment. There are three major considerations for PTC's reinvestment: capital gains, participation in potential emerging technology companies and companies that have comprehensive benefits for PTC. These two companies are based on this consideration.
3. It is inconvenient for the company to express opinions on the disposal of the company's stocks by individual shareholders. Thank you for your concern.

(3) Remuneration to directors and employees

(4) Amendment to Rules and Procedures of Board of Director Meeting

5. Items for acceptance:

ITEM 1 (Proposed by the board of directors)

Proposal: Submission and acknowledgement of the Company’s FY2022 financial statements and business report.

Explanation:

(1) The Company’s FY2022 consolidated financial statements have been audited by independent auditors and approved by Audit Committee.

(2) The 2022 Business Report, Independent Auditors' Audit Report, and the above-mentioned Financial Statements are attached hereto as Attachments I and IV.

(3) Request for acknowledgement of the above-mentioned financial statements and business report.

Shareholder account number 164072 made a statement:

What is the reason for the decrease in operating profit?

The chairman explained the reply as follows:

It is mainly due to market competition. While expanding the business scale, it also faces larger customers. In the past two years, the imbalance between supply and demand of semiconductors and the adjustment of industrial structure have led to an increase in the bargaining power of customers. The company will continue to work hard in the future to pursue better business performance.

Resolution: Approval rights 103,544,700rights (including electronically exercised voting rights 1,880,912 rights), objection rights 5,718 rights (including electronically exercised voting rights 5,718 rights), invalid rights 0 rights, abstention/non-voting rights 2,435,288 rights (including electronically exercised voting rights 2,392,897 rights), 105,985,706 voting rights of present shareholders, and 97.70% of the voting rights in favor of the proposal. After voting, the above proposal was approved as proposed.

ITEM 2 (Proposed by the board of directors)

Proposal: Submission and acknowledgement of the Company's FY2022 earnings distribution.

Explanation:

(1) The company's after-tax net profit in 2022 was NT$167,891,391, plus FY2022 retained earnings adjustment - confirmed benefit actuarial gains and losses of NT$5,056,402 and then deducted the provision of statutory surplus reserve of NT$17,294,779 and the provision of special surplus reserve of NT$37,192,761, the distributable surplus for the current period is NT$118,460,253.

(2) According to the articles of association of the company, the cash dividend of NT$117,613,389 is planned to be distributed and the cash dividend of NT$0.65 per share is distributed. Calculated according to the shareholding ratio recorded in the shareholder list on the ex-dividend base day, allotment up to 1 yuan (full round up to 1 yuan). Allotment of less than 1 yuan will authorize the chairman to contact a specific person to adjust it.

(3) Once the cash dividend is approved by the shareholders' general meeting, the chairman is authorized to set the dividend distribution base date for distribution. If the profit distribution plan is revised by the competent authority, or the number of shares in circulation is affected due to the repurchase of the company's shares, the transfer or cancellation of treasury shares to employees, the execution of employee stock option certificates, etc., and the distribution ratio changes accordingly, it is proposed to submit it to the shareholders' meeting to authorize the chairman of the board to handle it with full authority.

(4) FY2022 statement of earnings distribution is attached hereto as Attachment V.

(5) Request for acknowledgement.

Resolution: Approval rights 103,550,011 rights (including electronically exercised voting rights 1,886,223 rights), objection rights 9,061 rights (including electronically exercised voting rights 9,061 rights), invalid rights 0 rights, abstention/non-voting rights 2,426,634 rights (including electronically exercised voting rights 2,384,243 rights), 105,985,706 voting rights of present shareholders, and 97.70% of the voting rights in favor of the proposal. After voting, the above proposal was approved as proposed.

6. Items for election:

ITEM 1 (Proposed by the board of directors)

Proposal: To elect eight Directors (including four independent directors). Please elect.

Explanation:

(1) In accordance with the resolution of the Board of Directors meeting on March 1, 2023, a new Board of 8 members including 4 independents will be elected. The tenure of the newly elected directors shall commence on June 16, 2023 and expire on June 15, 2026.

(2) In accordance with the provisions of Article 192-1 of the Company Law, the election

of the directors will be conducted by adopting the "candidate nomination system". In accordance with the regulations, the Company announced the nomination period, number and venue for the election.

(3) The Board of Directors approved a list of candidates for the Directors on May 4, 2023 accordingly. Please refer to Attachment VI for the list.

(4) Please elect.

Election Result:

1. The none-independent directors are: Chiang, Chang-An (by 115,150,006 votes), National Chiao Tung University represented by Professor Chen, Wei-Kuo (by 103,727,246 votes), Tai Hsin Co. Ltd represented by Zhang, Wei-Ru (by 107,801,676 votes) and Tai Hsin Co. Ltd represented by Zhong, Lin (by 105,800,251 votes).
2. The independent directors are: Ma, Yu-Fong (by 101,686,878 votes), Wu, Hsueh-Min (by 99,605,328 votes), Tsai, Yi-Cheng (by 97,592,518 votes) and Chen, Zhi-Ling (by 95,537,459 votes).

7. Other items:

ITEM 1 (Proposed by the board of directors)

Proposal: Propose the removal of non-competition clauses on new board members. Please discuss.

Explanation:

(1) In accordance to Company Law article 209, a director who is involved, whether himself or on behalf of another person, in activities that are within the scope of the company's business, shall make a disclosure in the shareholders meeting the significant characters of such activities, and shall then solicit the approval of the shareholders.

(2) For reasons of business practicality the Board of Directors recommends that the shareholders approve the removal of such non-competition clauses on newly elected directors.

(3) Please discuss.

Shareholder account number 164072 made a statement:
Except for Richard Chang and Zhang Wei-Ru, the new directors' work does not conflict with the company's business scope. Should there be no need for non-compete?
The chairman explained the reply as follows:
As stated in the proposal just now, in order to make use of the expertise and relevant experience of the directors, the relevant experience includes operations, management, finance, legal affairs, etc., and is not limited to professionals. Therefore, the restrictions on the non-competition of the new directors and their representatives were lifted.

Resolution: Approval rights 103,464,075 rights (including electronically exercised voting rights 1,800,287 rights), objection rights 40,953 rights (including electronically exercised voting rights 40,953 rights), invalid rights 0 rights, abstention/non-voting rights 2,480,678 rights (including electronically exercised voting rights 2,438,287 rights), 105,985,706 voting rights of present shareholders, and 97.62% of the voting rights in favor of the proposal. After voting, the above proposal was approved as proposed.

8. Provisional motions:

1. Shareholder account number 157175 made a statement:

Please explain the subsidiary's investment in Ark Semiconductor.
The chairman explained the reply as follows:
Ark Semiconductor is a company engaged in the design of power management ICs. As mentioned earlier, the company has three major considerations for reinvesting in companies, capital gains, participation in potential emerging technology companies and companies that have comprehensive benefits for the company. Ark Semiconductor covers the first and third items. Its power management IC focuses on the emerging technology field, which is the current hot AI field. AI requires very fast computing power and very large power consumption, so it requires stronger power management IC to support the new AI management technology. Ark Semiconductor has a great advantage in the development of this aspect.

2. Shareholder account number 164072 made a statement:

What is the difference between the application of power management IC to electric vehicles and AI?
The chairman explained the reply as follows:
The difference between electric vehicles and AI applications is mainly in voltage. Electric vehicles have a relatively high voltage and a large instantaneous output; while AI has relatively low voltage, high complexity, and greater power consumption than electric vehicles.

9. Meeting adjourned: 10:02AM.