



Stock Code : 8034

**OPNET TECHNOLOGIES CO., LTD**

**2024 Annual Shareholders' Meeting  
Meeting Agenda  
(Translation)**

June 6, 2024

Meeting Place: 3F, No.5, Gongye E. 9th Rd., Hsinchu Science  
Park, Hsinchu County, Taiwan. (R.O.C.)  
(OPNET TECHNOLOGIES CO., LTD)

# Table of Contents

<b>MEETING PROCEDURES</b> .....	1
<b>Meeting Agenda</b> .....	2
<b>Report Items</b> .....	3
<b>Proposed Resolutions</b> .....	3
<b>Discussion Matters</b> .....	3
<b>Election Matters</b> .....	6
<b>Other Matters</b> .....	6
<b>Extempore Motions</b> .....	6
<b>Meeting Adjourned</b> .....	6
<b>ATTACHMENT</b> .....	7
<b>Attachment I. Business Report</b> .....	7
<b>Attachment II. Audit Committee’s Review Report</b> .....	9
<b>Attachment III. Independent Auditors’ Report and 2023 Financial Statements</b> .....	10
<b>Attachment IV. 2023 Earnings Distribution Table</b> .....	33
<b>Attachment V. List of Candidate Nominations</b> .....	34
<b>Attachment VI. Contents of Regarding the Competition Restriction for Independent Directors</b> .....	36
<b>APPENDIX</b> .....	37
<b>Appendix I. Articles of Incorporation</b> .....	37
<b>Appendix II. Rules and Procedure of Shareholders’ Meetings</b> .....	44
<b>Appendix III. Status of Shareholder Proposals and Nominations Acceptance</b> .....	47
<b>Appendix IV. Shareholdings of All Directors</b> .....	48

## **Meeting Procedures**

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Proposed Resolutions
5. Discussion Matters
6. Election Matters
7. Other Matters
8. Extemporaneous Motions
9. Meeting Adjourned

## Meeting Agenda

Type of Meeting: Physical Meeting

Time: 9:00 a.m., June 6, 2024

Place: 3F, No.5, Gongye E. 9th Rd., Hsinchu Science Park, Hsinchu County,  
Taiwan. (R.O.C.) (OPNET TECHNOLOGIES CO., LTD)

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
  - (1) 2023 business report
  - (2) Audit Committee's report of 2023
  - (3) Report on 2023 employees' profit sharing and directors' compensation
4. Proposed Resolutions
  - (1) Adoption of the 2023 business report and financial statements
  - (2) Adoption of the 2023 earnings distribution proposal
5. Discussion Matters
  - (1) Implement Cash-refund Capital Reduction
6. Election Matters
  - (1) Election of seven directors (includes four independent directors)
7. Other Matters
  - (1) Release the prohibition on new independent director from Participation  
in Competitive Business
8. Extempore Motions
9. Meeting Adjourned

## **Report Items**

### 1. 2023 business report

Description: Please refer to Attachment I.

### 2. Audit Committee's report of 2023

Description: Please refer to Attachment II.

### 3. Report on 2023 employees' profit sharing and directors' compensation

Description:

- (1) According to Article 20 of the Company's Articles of Incorporation, if there is any profit during the fiscal year and reserves it after offsetting accumulated losses, it shall allocate between 3% and 15% for employee profit sharing and allocate no more than 3% for director compensation.
- (2) The Board of Directors has approved the 2023 employees' profit sharing of NT\$9,500,000 and directors' compensation of NT\$2,850,000 on March 8, 2024. The employees' profit sharing and directors' compensation shall be paid in cash.

## **Proposed Resolutions**

### 1. Adoption of the 2023 business report and financial statements

(Proposed by the Board of Directors)

Description:

- (1) 2023 financial statements, including balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, were audited by independent auditors, Ms. Tsai-Yen, Chiang and Ms. Ya-Hui, Zheng of PWC, which were reviewed and approved by the audit committee and Board of Directors on March 8, 2024.
- (2) For the 2023 business report, independent auditors' report and the aforementioned financial Statements, please refer to Attachments I and III.

### 2. Adoption of the 2023 earnings distribution proposal

(Proposed by the Board of Directors)

Description:

The net income of 2023 was NT\$94,098,044, and the 2023 earnings distribution proposal has been approved by the Board of Directors on March 8, 2024. Please refer to Attachment IV for the 2023 profit distribution table.

## **Discussion Matters**

### 1. Cash Reduction Procedure

(Proposed by the Board of Directors)

Description:

- (1) In order to enhance shareholder returns, the company plans to conduct a cash reduction and return capital to shareholders.
- (2) The proposed cash reduction amounts to NT\$62,873,720, with 6,287,372 shares to be cancelled, representing approximately 10% reduction. Each share will be refunded NT\$1 in cash. The post-reduction capital will be NT\$565,863,530.
- (3) Based on the total number of issued shares calculated in the preceding item, approximately 900 new shares will be issued per thousand shares (i.e., shareholders will see a reduction of approximately 100 shares per thousand shares). The reduction will be calculated based on the shareholding recorded in the shareholder registry on the reduction exchange date, and the reduced capital will be refunded to shareholders in cash according to their respective shareholding proportions, rounded down to the nearest unit.
- (4) The new shares issued through this cash reduction will be issued electronically and will carry the same rights and obligations as the original shares. Shareholders holding fractional shares after the reduction may, from the fifth day prior to the cessation of share transfer until the day before the cessation, register with the company's share registrar to combine their fractions into whole shares. Fractions remaining below one whole share after aggregation will be compensated in cash based on the face value of the shares, rounded down to the nearest unit. Authorization will be given to the chairman to negotiate with specific individuals for the purchase of these fractional shares at face value.
- (5) Upon approval at the shareholders' meeting and submission to the competent authority for reporting and effectiveness, the chairman is authorized to set the reduction record date and reduction exchange date and handle related operational matters.
- (6) In the event of changes in laws or regulations, adjustments by regulatory authorities, or other factors affecting changes in shareholding, resulting in the need to adjust the reduction ratio and refund amount per share, authorization will be sought from the shareholders' meeting for the chairman to handle such adjustments.
- (7) Election is respectfully requested.

Supplemental Explanation:

The company received a letter from the Securities Investor and Futures Trader Protection Center, dated March 27, 2024, regarding inquiries about the current cash reduction plan. The explanations and responses are as follows:

Explanation:

- (1) Reason, necessity, and rationality for the current cash reduction.

Response: The Company's cash position has been continuously increasing due to operational profitability. Considering that the existing funds are sufficient to meet future operational needs, the company plans to conduct a cash reduction to return capital to shareholders, aiming to enhance capital utilization efficiency and shareholder returns.

- (2) Source of funds for the current cash reduction and its impact on the company's finances, normal operations, and capital structure stability.

Response: The main source of funds for the current cash reduction is internal funds, which will not affect the company's future financials or normal operations and will not have a significant impact on the company's capital structure.

- (3) Whether the company has plans for fundraising or free issuance of new shares at the shareholders' meeting in the current year and the next year, and the necessity and rationality of such plans.

Response: The Company does not have plans for fundraising or free issuance of new shares at the shareholders' meeting in the current year or the next year.

- (4) In accordance with the information disclosed on the Taiwan Stock Exchange's website, the company's net profit after tax for the fiscal year 112 amounted to NT\$94,098 thousand, and the cash flow statement showed a net cash outflow of NT\$86,226 thousand. Please provide detailed explanations on the source of funds, decision considerations, and reasons for strategic adjustments for the current cash reduction.

Response:

- i. The company's cash flow statement for 2023 showed a net cash outflow of NT\$86,226 thousand. This was primarily due to the increase in interest rates, leading to the transfer of idle funds into fixed-term deposits for over three months to increase interest income, resulting in a net cash outflow of NT\$48,211 thousand from investing activities, with fixed-term deposits exceeding three months increasing by NT\$46,605 thousand. Additionally, the net cash outflow from financing activities amounted to NT\$45,567 thousand, mainly due to the payment of cash dividends totaling NT\$37,724 thousand.
- ii. As the company's industry is primarily project-based, monthly revenue fluctuates depending on the delivery of major projects. Revenue recognized in the fourth quarter of 2023 amounted to NT\$357,960 thousand, with accounts receivable of NT\$190,435 thousand at the end of the period, which was recorded in the first quarter of 2024. Combined with cash and cash equivalents of NT\$402,929 thousand at the end of the period, it is sufficient to meet the funds required for the current cash reduction without impacting future cash flow.

## **Election Matters**

1. Election of seven directors (includes four independent directors)  
(Proposed by the Board of Directors)

### **Description:**

- (1) The tenure of directors will be due on 2024. According to Article 12 and 12-1 of the Company's article, it is proposed to re-elect seven directors (including four independent directors).
- (2) According to Company article, the election of directors (including independent directors) adopts a candidate nomination system. The term of office for the directors (including independent directors) elected is three years, from June 6, 2024 to June 5, 2027, and they will assume office after the adjournment of the 2024 shareholder meeting.
- (3) The list of director candidates was approved by the company's board of directors on March 8, 2024. For the list of director candidates and candidates' information, please refer to Attachment V.
- (4) Election is respectfully requested.

## **Other Matters**

1. Release the the non-compete restriction on new independent director.  
(Proposed by the Board of Directors)

### **Description:**

- (1) Due to the expansion of the company's business scope, there may be instances where directors elected at the shareholders' meeting simultaneously serve as directors or managers of other companies with similar business scopes. Therefore, in accordance with Article 209 of the Company Law, it is proposed to lift the non-competition restrictions for directors newly elected at the shareholders' meeting held in the 2024 fiscal year, and this matter is submitted for discussion.
- (2) Please refer to Attachment VI for the contents of regarding the competition restriction for independent directors.
- (3) Election is respectfully requested.

## **Extempore Motions**

## **Meeting Adjourned**

# Attachment

## Attachment I

### OPNET TECHNOLOGIES CO., LTD Business Report

The following is a description of the company's 2023 operating conditions and the outlook for this year:

#### Operating Performance in 2023

##### 1. Consolidated financial results

The company's consolidated net operating income in 2023 was 676 million, which grew about 9% compared to last year, the operating gross profit was 223 million, and the gross profit rate was 33%. Consolidated net profit after tax was 94 million.

##### 2. Budget implementation

The Company did not disclose its financial forecast for 2023.

##### 3. Profitability analysis

Unit: NT\$ thousand

	2023	2022
Net sales	675,604	481,536
Gross profit	222,912	143,264
Net income	94,098	40,854
Return On Equity(%)	13.00%	5.78%
Per-tax income to capital(%)	18.54%	7.76%
Net income to sales(%)	13.93%	8.48%
Earning per share(NT\$)	1.51	0.65

As of the end of 2023, the company's paid-in capital was NT\$ 628,737 thousand, shareholders' equity was NT\$ 695,843 thousand, accounting for 80% of the total assets of NT \$941,173 thousand, the ratio of liabilities to assets was 20%, and the current ratio was 506%. The financial structure and the solvency has maintained its consistent stability.

##### 4. Research and development status

Unit: NT\$ thousand

	2023	2022
Research and development expense	66,791	60,869
Net Income	675,604	481,536
Percentage of net income(%)	9.89%	12.64%

In 2023, Opnet invested a total of NT\$ 66 million in R&D .The main research and development projects were the upgrade design of the large-capacity multi-service IP broadband access network system, the large-capacity central office SIP voice gateway, the large-capacity TDMoE E1/Ethernet converter, the carrier-class 100G Ethernet switch platform, and the core technology of VoIP software protocol and telecom network management system platform.

### **Business Plan for 2024**

1. The performance of the local SIP Voice Gateway (SVG) product, remote SIP-Based MSAN Multi-Service Multi-Function Machine product, and associated equipment (cable/L2 Switch/SMR/Battery, etc.) is expected to continue growing. Over the past 8-9 years, sales have accumulated to over three million lines for operators such as Chunghwa Telecom. The local SIP architecture of the voice gateway and remote MSAN equipment comply with the domestic and international telecommunications operators' policies of "fiber in, copper out" and "asset activation," offering advantages such as energy efficiency, space savings, easy maintenance, and cost-effectiveness. These products can replace outdated electronic switches (ESS) that have been operating in telecommunications rooms for many years, providing general voice services, broadband services, and specialized telecommunications network services. Leveraging the widespread deployment of optical fibers globally, they can offer next-generation voice services to new buildings and communities. It is expected that SIP VoIP products will continue to have significant demand and potential for both domestic and international traditional telecommunications operators in the coming years, contributing greatly to energy conservation and carbon reduction goals pursued by telecommunications operators domestically and internationally in pursuit of ESG sustainable development.
2. IP-Based multiplexer products are required by telecommunications operators to adapt to the IP transformation of their transmission networks and the "fiber in, copper out" policy. These products need to be IP-based and compact, installable in outdoor telecommunications cabinets/cases, to maintain existing data line telecommunications services. Additionally, dedicated communication networks such as power communication networks and rail transit communication networks will enter a phase of renewal, increasing the demand for IP-Based multiplexer products. It is expected that IP-Based multiplexer products will have significant demand and potential in the coming years.
3. Continued concentration of research and development resources on the hardware and software design and integration of telecommunications-grade 100G Ethernet network switch platforms. Emphasis is placed on establishing core technologies for equipment hardware protection switching and synchronous clock signal processing, and collaborating with domestic and international manufacturers with 5G core network software and hardware technical capabilities to jointly develop niche products related to 5G private networks and smart applications, 5G edge computing, or 5G Open Radio Access Network (O-RAN).
4. Planning, designing, and selling Gigabit Passive Ethernet Network (GPEN) equipment R-MDU, which adopts Reverse Power over Ethernet (Reverse PoE) technology for power supply, solving the power supply problem of access network equipment and providing multi-user broadband access services. Due to its small size and low power consumption, it can be quickly installed in public spaces of general residential apartments to provide services, accelerating the popularization of broadband networks.

Chairman and General Manager : Ching-Tang, Wang

Accounting Manager : Feng-Chu, Huang

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

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements and proposal for allocation of earnings. The Financial Statements were audited by PWC and issued an Independent Audit Report. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of OPNET Technologies Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please review and approve.

To

OPNET TECHNOLOGIES CO., LTD 2024 Annual Shareholders' Meeting

Chairman of the Audit Committee: Chih-Yung, Liou  
March 8, 2024

REPORT OF INDEPENDENT ACCOUNTANTS

To Opnet Technologies Co., Ltd.

**Opinion**

We have audited the accompanying consolidated balance sheets of Opnet Technologies Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

**Basis for opinion**

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the independent auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s 2023 consolidated financial statements. 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 2023 consolidated financial statements are stated as follows:

### **Accuracy of revenue recognition timing**

#### Description

Refer to Note 4 (26) for accounting policies on revenue recognition and Note 6 (19) for details of operating revenue. The Group is primarily engaged in the R&D, manufacturing, and sales of access network equipment, transmission equipment and broadband equipment under its own brand in domestic and overseas markets. Its business mode is mainly based on bidding for projects.

The main revenue for the Group is from bidding for projects. As customers need to perform compatibility testing with related connected equipment after the products were delivered, some bidding projects have acceptance criteria. Due to the acceptance schedule would be affected by construction progress, revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the control of goods ownerships and fulfill of the obligations of contract are subject to many manual processes and the result could affect sales revenue significantly in the consolidated financial statement. Thus, the accuracy of revenue recognition timing on bidding project has been identified a key audit matter.

#### **How our audit addressed the matter:**

In relation to the key audit matter above, we performed following audit procedures:

1. Understand, evaluate and test the effectiveness of the design and implementation of internal control procedures for revenue recognition.
2. Obtain the sales revenue statement of the bidding projects, verify the completeness of the statement, and we also sampling and inspecting on the obtained document of customer acceptance and the transfer of product control for revenue recognition.
3. Perform cut-off tests for certain period before and after the balance sheet date, confirm revenue recognition in the appropriate period.

### **Allowance for inventory evaluation losses**

#### Description

Refer to Note 4 (13) for accounting policies on inventories evaluation, Note 5 (2) for the uncertainty of accounting estimates and assumptions for inventory evaluation losses, and Note 6 (7) for the details of inventories. As of December 31, 2023, the Group's inventories and allowance for inventory valuation

losses amounted to NT\$200,428 thousand and NT\$9,428 thousand, respectively.

The Group is primarily engaged in manufactures and sales of access network equipment, transmission equipment and broadband equipment. Inventories are stated at the lower of cost and net realizable value and an allowance for inventory evaluation losses is provided for those inventories exceeded specific age and those individually identified as obsolete or damaged. As the amount of inventories is significant, the vary types of inventories, and the estimation of net realizable value for individually obsolete or damaged inventories are subject to management's judgement which existed uncertainty, we considered the allowance for inventory valuation losses a key audit matter.

**How our audit addressed the matter:**

We confirmed that the provision policy for inventory evaluation loss during the financial reporting period was consistently adopted and the provision policy was reasonable. For the statement of obsolete or damaged inventories that was identified by the management, we performed following audit procedures:

1. Verified the accuracy of system logic that generates the inventory aging report to ensure proper classification of inventories aged.
2. Evaluated the reasonableness and related supporting documents of inventories individually identified as obsolete or damaged by management.
3. Discussed with management and obtained supporting documents on the evaluation report of net realizable value for inventory that was identified as obsolete or damaged.

**Other matter - Parent company only financial statements**

We have audited and expressed an unqualified opinion on the parent company only financial statements of Opnet Technologies Co., Ltd. as of and for the years ended December 31, 2023 and 2022.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due

to fraud or error.

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

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

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 auditor's 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 auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan  
March 8, 2024

-----  
The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

OPNET TECHNOLOGIES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 158,183	17	\$ 261,911	30
1110	Financial assets at fair value through profit or loss	6(2)	5	-	-	-
1136	Financial assets at amortized cost - current	6(4) and 8	256,900	28	181,780	21
1140	Current contract assets	6(19)	14	-	42	-
1170	Accounts receivable	6(5)	190,435	20	105,655	12
1200	Other receivables	6(6)	94,106	10	469	-
1220	Current tax assets		212	-	233	-
130X	Inventories	6(7)	191,000	20	213,434	24
1410	Prepayments		1,280	-	17,437	2
1470	Other current assets		161	-	149	-
11XX	<b>Current Assets</b>		<u>892,296</u>	<u>95</u>	<u>781,110</u>	<u>89</u>
<b>Non-current assets</b>						
1535	Financial assets at amortized cost - non-current	6(4) and 8	22,619	2	60,134	7
1600	Property, plant and equipment	6(8)	3,357	-	2,935	-
1755	Right-of-use assets	6(9)	10,045	1	16,525	2
1780	Intangible assets		175	-	326	-
1840	Deferred income tax assets	6(26)	7,402	1	7,218	1
1920	Refundable deposits		5,279	1	4,545	1
15XX	<b>Non-current assets</b>		<u>48,877</u>	<u>5</u>	<u>91,683</u>	<u>11</u>
1XXX	<b>Total assets</b>		<u>\$ 941,173</u>	<u>100</u>	<u>\$ 872,793</u>	<u>100</u>

(Continued)

**OPNET TECHNOLOGIES CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2120	Financial liabilities at fair value through profit or loss	6(10)	\$ 28	-	\$ -	-
2130	Contract liabilities-current	6(19)	46,938	5	10,295	1
2170	Accounts payable		34,407	4	85,088	10
2200	Other payables	6(11)	51,041	6	31,565	4
2230	Current income tax liabilities		21,531	2	6,441	1
2250	Provisions for liabilities-current	6(13)	12,887	1	12,887	1
2280	Lease liabilities-current		8,759	1	8,678	1
2300	Other current liabilities		901	-	751	-
21XX	<b>Current Liabilities</b>		<u>176,492</u>	<u>19</u>	<u>155,705</u>	<u>18</u>
<b>Non-current liabilities</b>						
2550	Provisions for liabilities-non-current	6(13)	10,218	1	10,392	1
2570	Deferred income tax liabilities	6(26)	-	-	2,140	-
2580	Lease liabilities-non-current		1,497	-	8,055	1
2600	Other non-current liabilities	6(12)	595	-	658	-
25XX	<b>Non-current liabilities</b>		<u>12,310</u>	<u>1</u>	<u>21,245</u>	<u>2</u>
2XXX	<b>Total Liabilities</b>		<u>188,802</u>	<u>20</u>	<u>176,950</u>	<u>20</u>
<b>Equity attributable to owners of parent company</b>						
	Share capital	6(15)				
3110	Share capital-common stock		628,737	67	628,737	72
	Capital surplus	6(16)				
3200	Capital surplus		708	-	472	-
	Retained earnings	6(17)				
3310	Legal reserve		15,718	2	11,640	1
3320	Special reserve		9,570	1	9,570	1
3350	Unappropriated retained earnings		112,655	12	60,441	7
	Other equity interest	6(18)				
3400	Other equity interest		( 9,570)	( 1)	( 9,570)	( 1 )
3500	Treasury share	6(15)	( 5,447)	( 1)	( 5,447)	-
31XX	<b>Equity attributable to owners of the parent company</b>		<u>752,371</u>	<u>80</u>	<u>695,843</u>	<u>80</u>
3XXX	<b>Total equity</b>		<u>752,371</u>	<u>80</u>	<u>695,843</u>	<u>80</u>
	Contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 941,173</u>	<u>100</u>	<u>\$ 872,793</u>	<u>100</u>

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

OPNET TECHNOLOGIES CO., LTD. AND SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19)	\$ 675,604	100	\$ 481,536	100
5000	Operating costs	6(7)(24)(25)	( 452,692)	( 67)	( 338,272)	( 70)
5900	Net operating margin		222,912	33	143,264	30
	Operating expenses	6(24)(25)				
6100	Selling expenses		( 19,753)	( 3)	( 20,045)	( 4)
6200	General and administrative expenses		( 35,956)	( 5)	( 31,225)	( 7)
6300	Research and development expenses		( 66,791)	( 10)	( 60,869)	( 13)
6450	Expected credit impairment loss (gain)	12(2)	8,790	1	-	-
6000	Total operating expenses		( 113,710)	( 17)	( 112,139)	( 24)
6900	Operating profit		109,202	16	31,125	6
	Non-operating income and expenses					
7100	Interest income	6(20)	5,588	1	4,072	1
7010	Other income	6(21)	1,279	-	947	-
7020	Other gains and losses	6(22)	1,373	-	13,447	3
7050	Finance costs	6(23)	( 898)	-	( 800)	-
7000	Total non-operating income and expenses		7,342	-	17,666	4
7900	Profit before tax		116,544	17	48,791	10
7950	Income tax expense	6(26)	( 22,446)	( 3)	( 7,937)	( 2)
8200	Profit for the year		\$ 94,098	14	\$ 40,854	8
	<b>Items that will not be reclassified subsequently to profit or loss:</b>					
8311	Loss on remeasurements of defined benefit plan	6(12)	(\$ 82)	-	(\$ 73)	-
8300	<b>Other comprehensive (loss) income for the year</b>		(\$ 82)	-	(\$ 73)	-
8500	<b>Total comprehensive income for the year</b>		\$ 94,016	14	\$ 40,781	8
	Profit attributable to:					
8610	Equity holders of the parent company		\$ 94,098	14	\$ 40,854	8
	Total comprehensive income attributable to:					
8710	Equity holders of the parent company		\$ 94,016	14	\$ 40,781	8
	Earnings per share					
9750	Basic earnings per share	6(27)	\$ 1.51		\$ 0.65	
9850	Diluted earnings per share	6(27)	\$ 1.50		\$ 0.65	

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

OPNET TECHNOLOGIES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent								
	Notes	Share capital- common stock	Capital surplus	Retained Earnings			Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury share	Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings			
<u>For the year ended December 31, 2022</u>									
Balance at January 1, 2022		\$ 628,737	\$ 79	\$ 3,660	\$ 9,570	\$ 90,514	(\$ 9,570)	(\$ 5,447)	\$ 717,543
Profit for the year		-	-	-	-	40,485	-	-	40,854
Other comprehensive income for the year	6(12)	-	-	-	-	( 73)	-	-	( 73)
Total comprehensive income for the year		-	-	-	-	40,781	-	-	40,781
Distribution of 2021 earnings:	6(17)								
Legal reserve		-	-	7,980	-	( 7,980)	-	-	-
Cash dividends		-	-	-	-	( 62,874)	-	-	( 62,874)
Distribution of dividends to subsidiaries adjusted capital surplus	6(16)	-	393	-	-	-	-	-	393
Balance at December 31, 2022		<u>\$ 628,737</u>	<u>\$ 472</u>	<u>\$ 11,640</u>	<u>\$ 9,570</u>	<u>\$ 60,441</u>	<u>(\$ 9,570)</u>	<u>(\$ 5,447)</u>	<u>\$ 695,843</u>
<u>For the year ended December 31, 2023</u>									
Balance at January 1, 2023		\$ 628,737	\$ 472	\$ 11,640	\$ 9,570	\$ 60,441	(\$ 9,570)	(\$ 5,447)	\$ 695,843
Profit for the year		-	-	-	-	94,098	-	-	94,098
Other comprehensive income for the year	6(12)	-	-	-	-	( 82)	-	-	( 82)
Total comprehensive income for the year		-	-	-	-	94,016	-	-	94,016
Distribution of 2022 earnings:	6(17)								
Legal reserve		-	-	4,078	-	( 4,078)	-	-	-
Cash dividends		-	-	-	-	( 37,724)	-	-	( 37,724)
Distribution of dividends to subsidiaries adjusted capital surplus	6(16)	-	236	-	-	-	-	-	236
Balance at December 31, 2023		<u>\$ 628,737</u>	<u>\$ 708</u>	<u>\$ 15,718</u>	<u>\$ 9,570</u>	<u>\$ 112,655</u>	<u>(\$ 9,570)</u>	<u>(\$ 5,447)</u>	<u>\$ 752,371</u>

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

OPNET TECHNOLOGIES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Note	Years ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax for the year		\$ 116,544	\$ 48,791
Adjustments			
Income and expenses having no effect on cash flow			
Depreciation	6(8)(9)(24)	9,929	9,800
Amortization	6(24)	173	147
Net profit from financial assets and liabilities at fair value through profit or loss	6(22)	( 697 )	-
Expected credit impairment (gain) loss	12(2)	( 8,790 )	-
Interest expense	6(23)	898	800
Interest income	6(20)	( 5,588 )	( 4,072 )
Onerous contract loss	6(7)	-	12,388
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets and liabilities at fair value through profit or loss		720	-
Contract assets-current		28	720
Accounts receivable		( 75,990 )	44,746
Other receivables		( 93,731 )	( 11 )
Inventories		22,434	34,251
Prepayments		16,157	1,476
Other current assets		( 12 )	( 4 )
Net changes in liabilities relating to operating activities			
Contract liabilities		36,643	410
Accounts payable		( 50,681 )	8,604
Other payables		19,288	( 6,089 )
Provisions for liabilities	6(13)	( 500 )	3,911
Other current liabilities		150	76
Other non-current liabilities		( 27 )	( 23 )
Net defined benefit liabilities		( 118 )	( 50 )
Cash generated from operations		( 13,170 )	155,871
Interest received		5,652	3,639
Interest paid		( 572 )	( 475 )
Income tax paid		( 9,680 )	( 1,243 )
Income tax refund		51	-
Net cash provided by (used in) operating activities		( 17,719 )	157,792
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortized cost		( 288,525 )	( 367,240 )
Proceeds from disposal of financial assets at amortized cost		250,920	421,701
Acquisition of property, plant and equipment	6(28)	( 1,570 )	( 669 )
Acquisition of intangible assets		( 22 )	( 330 )
Refundable deposits paid		( 4,129 )	( 4,574 )
Refundable deposits refunded		3,395	3,886
Net cash provided by (used in) investing activities		( 39,931 )	52,774
<b><u>CASH FLOWS FROM FINANCING ACTIVITY</u></b>			
Increase in short-term debt		36,000	-
Decrease in short-term debt		( 36,000 )	-
Repayment of the principal portion of lease liabilities	6(29)	( 8,590 )	( 8,437 )
Cash dividends paid	6(28)	( 37,488 )	( 62,481 )
Net cash provided by (used in) financing activities		( 46,078 )	( 70,918 )
Net increase in cash and cash equivalents		( 103,728 )	139,648
Cash and cash equivalents at beginning of year	6(1)	261,911	122,263
Cash and cash equivalents at end of year	6(1)	\$ 158,183	\$ 261,911

The accompanying notes are an integral part of these consolidated financial statements

## REPORT OF INDEPENDENT ACCOUNTANTS

To Opnet Technologies Co., Ltd.

### **Opinion**

We have audited the accompanying parent company only financial statements of Opnet Technologies Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, 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.

### **Basis for Opinion**

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the independent auditors’ responsibilities for the audit of Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit

matters for the parent company only financial statements in the current period are stated as follow:

### **Accuracy of revenue recognition timing**

#### Description

Refer to Note 4 (26) for accounting policies on revenue recognition and Note 6 (20) for details of operating revenue. The Company is primarily engaged in the R&D, manufacturing, and sales of access network equipment, transmission equipment and broadband equipment under its own brand in domestic and overseas markets. Its business mode is mainly based on bidding for projects.

The main revenue for the Company is from bidding for projects. As customers need to perform compatibility testing with related connected equipment after the products were delivered, some bidding projects have acceptance criteria. Due to the acceptance schedule would be affected by construction progress, revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the control of goods ownerships and fulfill of the obligations of contract are subject to many manual processes and the result could affect sales revenue significantly in the consolidated financial statement. Thus, the accuracy of revenue recognition timing on bidding project has been identified a key audit matter.

#### **How our audit addressed the matter:**

In relation to the key audit matter above, we performed following audit procedures:

1. Understand, evaluate and test the effectiveness of the design and implementation of internal control procedures for revenue recognition.
2. Obtain the sales revenue statement of the bidding projects, verify the completeness of the statement, and we also sampling and inspecting on the obtained document of customer acceptance and the transfer of product control for revenue recognition.
3. Perform cut-off tests for certain period before and after the balance sheet date, confirm revenue recognition in the appropriate period.

### **Allowance for inventory evaluation losses**

#### Description

Refer to Note 4 (12) for accounting policies on inventories evaluation, Note 5 (2) for the uncertainty of accounting estimates and assumptions for inventory evaluation losses, and Note 6 (7) for the details of inventories. As of December 31, 2023, the Company's inventories and allowance for inventory valuation

losses amounted to NT\$200,142 thousand and NT\$9,428 thousand, respectively.

The Company is primarily engaged in manufactures and sales of access network equipment, transmission equipment and broadband equipment. Inventories are stated at the lower of cost and net realizable value and an allowance for inventory evaluation losses is provided for those inventories exceeded specific age and those individually identified as obsolete or damaged. As the amount of inventories is significant, the vary types of inventories, and the estimation of net realizable value for individually obsolete or damaged inventories are subject to management's judgement which existed uncertainty, we considered the allowance for inventory valuation losses a key audit matter.

**How our audit addressed the matter:**

We confirmed that the provision policy for inventory evaluation loss during the financial reporting period was consistently adopted and the provision policy was reasonable. For the statement of obsolete or damaged inventories that was identified by the management, we performed following audit procedures:

1. Verified the accuracy of system logic that generates the inventory aging report to ensure proper classification of inventories aged.
2. Evaluated the reasonableness and related supporting documents of inventories individually identified as obsolete or damaged by management.
3. Discussed with management and obtained supporting documents on the evaluation report of net realizable value for inventory that was identified as obsolete or damaged.

**Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

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

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

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

### **Independent Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

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

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

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 auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan

March 8, 2024

---

The accompanying parent financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

OPNET TECHNOLOGIES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash	6(1)	\$ 146,029	16	\$ 232,255	27
1110	Financial assets at fair value through profit or loss - current	6(2)	5	-	-	-
1136	Financial assets at amortized cost - current	6(4) and 8	256,900	27	172,780	20
1140	Contract assets - current	6(20)	14	-	42	-
1170	Accounts receivable	6(5)	190,435	20	105,655	12
1180	Accounts receivable - related parties, net	6(5) and 7	460	-	2,191	-
1200	Other receivables	6(6)	71,331	8	433	-
1210	Other receivables - related parties	7	100	-	100	-
130X	Inventories	6(7)	190,714	20	213,493	24
1410	Prepayments		700	-	16,952	2
1470	Other current assets		53	-	41	-
11XX	<b>Current Assets</b>		<u>856,741</u>	<u>91</u>	<u>743,942</u>	<u>85</u>
<b>Non-current assets</b>						
1535	Financial assets at amortized cost - non-current	6(4) and 8	22,619	3	60,134	7
1550	Investments accounted for using equity method	6(8)	36,656	4	37,570	4
1600	Property, plant and equipment, net	6(9)	3,357	-	2,935	-
1755	Right-of-use assets	6(10)	8,452	1	15,126	2
1780	Intangible assets		175	-	326	-
1840	Deferred income tax assets	6(27)	7,402	1	7,218	1
1920	Refundable deposits		3,593	-	3,579	1
15XX	<b>Non-current assets</b>		<u>82,254</u>	<u>9</u>	<u>126,888</u>	<u>15</u>
1XXX	<b>Total assets</b>		<u>\$ 938,995</u>	<u>100</u>	<u>\$ 870,830</u>	<u>100</u>

(Continued)

OPNET TECHNOLOGIES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2120	Financial assets at fair value through profit or loss - current	6(11)	\$ 28	-	\$ -	-
2130	Contract liabilities-current	6(20)	46,938	5	10,295	1
2170	Accounts payable		34,329	4	85,010	10
2200	Other payables	6(12)	50,642	6	31,170	4
2230	Current income tax liabilities	6(27)	21,531	2	6,441	1
2250	Provisions for liabilities-current	6(14)	12,887	1	12,887	1
2280	Lease liabilities-current		7,946	1	7,703	1
2300	Other current liabilities		859	-	709	-
21XX	<b>Current Liabilities</b>		<u>175,160</u>	<u>19</u>	<u>154,215</u>	<u>18</u>
<b>Non-current liabilities</b>						
2550	Provisions for liabilities-non-current	6(14)	10,218	1	10,392	1
2570	Deferred income tax liabilities	6(27)	-	-	2,140	-
2580	Lease liabilities-non-current		651	-	7,582	1
2600	Other non-current liabilities	6(13)	595	-	658	-
25XX	<b>Non-current liabilities</b>		<u>11,464</u>	<u>2</u>	<u>20,772</u>	<u>2</u>
2XXX	<b>Total Liabilities</b>		<u>186,624</u>	<u>20</u>	<u>174,987</u>	<u>20</u>
<b>Equity</b>						
Share capital						
3110	Share capital - common stock	6(16)	628,737	67	628,737	72
Capital surplus						
3200	Capital surplus		708	-	472	-
Retained earnings						
3310	Legal reserve	6(18)	15,718	2	11,640	1
3320	Special reserve		9,570	1	9,570	1
3350	Unappropriated retained earnings		112,655	12	60,441	7
Other equity interest						
3400	Other equity interest	6(19)	( 9,570)	( 1)	( 9,570)	( 1)
3500	Treasury share	6(16)	( 5,447)	( 1)	( 5,447)	-
3XXX	<b>Total equity</b>		<u>752,371</u>	<u>80</u>	<u>695,843</u>	<u>80</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 938,995</u>	<u>100</u>	<u>\$ 870,830</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

OPNET TECHNOLOGIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items		Notes	Years ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 675,569	100	\$ 472,601	100
5000	Operating costs	6(7)(25)(26)	( 452,694 )	( 67 )	( 331,573 )	( 70 )
5900	Operating margin		222,875	33	141,028	30
	Operating expenses	6(25)(26)and7				
6100	Selling expenses		( 21,630 )	( 3 )	( 19,382 )	( 4 )
6200	General and administrative expenses		( 33,511 )	( 5 )	( 28,595 )	( 6 )
6300	Research and development expenses		( 66,791 )	( 10 )	( 60,869 )	( 13 )
6450	Expected credit impairment loss	12(2)	8,790	1	-	-
6000	Total operating expenses		( 113,142 )	( 17 )	( 108,846 )	( 23 )
6900	Operating profit		109,733	16	32,182	7
	Non-operating income and expenses					
7100	Interest income	6(21)	5,067	1	3,848	1
7010	Other income	6(22) and 7	2,422	-	2,498	-
7020	Other gains and losses	6(23)	1,241	-	12,027	2
7050	Finance costs	6(24)	( 818 )	-	( 737 )	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(8)	( 1,150 )	-	( 1,260 )	-
7000	Total non-operating income and expenses		6,762	-	16,376	3
7900	<b>Profit before tax</b>		116,495	17	48,558	10
7950	Income tax expense	6(27)	( 22,397 )	( 3 )	( 7,704 )	( 1 )
8200	<b>Profit for the year</b>		\$ 94,098	14	\$ 40,854	9
	<b>Other comprehensive income for the year</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Remeasurement of defined benefit obligation	6(13)	( \$ 82 )	-	( \$ 73 )	-
8300	<b>Other comprehensive income (loss) for the year</b>		( \$ 82 )	-	( \$ 73 )	-
8500	<b>Total comprehensive income for the year</b>		\$ 94,016	14	\$ 40,781	9
	Earnings per share					
9750	Basic earnings per share	6(28)	\$ 1.51		\$ 0.65	
9850	Diluted earnings per share	6(28)	\$ 1.50		\$ 0.65	

The accompanying notes are an integral part of these financial statements.

OPNET TECHNOLOGIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury share	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>For the year ended December 31, 2022</u>									
Balance at January 1, 2022		\$ 628,737	\$ 79	\$ 3,660	\$ 9,570	\$ 90,514	( \$ 9,570 )	(\$ 5,447 )	\$ 717,543
Profit for the year		-	-	-	-	40,854	-	-	40,854
Other comprehensive income for the year	6(13)	-	-	-	-	( 73 )	-	-	( 73 )
Total comprehensive income for the year		-	-	-	-	40,781	-	-	40,781
Distribution of 2021 earnings:	6(18)								
Legal reserve		-	-	7,980	-	( 7,980 )	-	-	-
Cash Dividends		-	-	-	-	( 62,874 )	-	-	( 62,874 )
Distribution of dividends to subsidiaries adjusted capital surplus	6(17)	-	393	-	-	-	-	-	393
Balance at December 31, 2022		\$ 628,737	\$ 472	\$ 11,640	\$ 9,570	\$ 60,441	( \$ 9,570 )	(\$ 5,447 )	\$ 695,843
<u>For the year ended December 31, 2023</u>									
Balance at January 1, 2023		\$ 628,737	\$ 472	\$ 11,640	\$ 9,570	\$ 60,441	( \$ 9,570 )	(\$ 5,447 )	\$ 695,843
Profit for the year		-	-	-	-	94,098	-	-	94,098
Other comprehensive income for the year	6(13)	-	-	-	-	( 82 )	-	-	( 82 )
Total comprehensive income for the year		-	-	-	-	94,016	-	-	94,016
Distribution of 2022 earnings:	6(18)								
Legal reserve		-	-	4,078	-	( 4,078 )	-	-	-
Cash dividends		-	-	-	-	( 37,724 )	-	-	( 37,724 )
Distribution of dividends to subsidiaries adjusted capital surplus	6(17)	-	236	-	-	-	-	-	236
Balance at December 31, 2023		\$ 628,737	\$ 708	\$ 15,718	\$ 9,570	\$ 112,655	( \$ 9,570 )	(\$ 5,447 )	\$ 752,371

The accompanying notes are an integral part of these financial statements.

OPNET TECHNOLOGIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 116,495	\$ 48,558
Adjustments			
Income and expenses having no effect on cash flow			
Depreciation	6(9)(10)(25)	9,165	9,036
Amortization	6(25)	173	147
Net profit of financial assets and liabilities at fair value through profit or loss	6(23)	( 697 )	-
Expected credit impairment (gain) loss	12(2)	( 8,790 )	-
Interest expense	6(24)	818	737
Interest income	6(21)	( 5,067 )	( 3,848 )
Share of (profit) loss of subsidiaries accounted for under equity method	6(8)	1,150	1,260
Onerous contract loss	6(7)	-	12,388
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		720	-
Contract assets-current		28	720
Accounts receivable		( 75,990 )	44,532
Accounts receivable - related parties		1,731	( 1,208 )
Other receivables		( 70,927 )	( 11 )
Inventories		22,779	34,263
Prepayments		16,252	1,485
Other current assets		( 12 )	3
Net changes in liabilities relating to operating activities			
Contract liabilities		36,643	410
Accounts payable		( 50,681 )	8,526
Other payables		19,284	( 6,109 )
Provisions for liabilities	6(14)	( 500 )	3,911
Other current liabilities		150	76
Other non-current liabilities		( 27 )	( 23 )
Net defined benefit liabilities		( 118 )	( 50 )
Cash generated from operations		12,579	154,803
Interest received		5,096	3,449
Interest paid		( 492 )	( 412 )
Income tax paid		( 9,631 )	( 448 )
Net cash provided by (used in) operating activities		<u>7,552</u>	<u>157,392</u>

(Continued)

OPNET TECHNOLOGIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		( \$ 257,773 )	( \$ 339,554 )
Proceeds from disposal of financial assets at amortized cost		211,168	403,015
Acquisition of property, plant and equipment	6(29)	( 1,570 )	( 669 )
Acquisition of intangible assets		( 22 )	( 330 )
Other receivables - related parties refunded		-	3,269
Refundable deposits paid		( 1,594 )	( 4,152 )
Refundable deposits refunded		1,580	3,517
Net cash provided by (used in) investing activities		( 48,211 )	( 65,096 )
<u>CASH FLOWS FROM FINANCING ACTIVITY</u>			
Increase of short-term loans		30,000	-
Decrease of short-term loans		( 30,000 )	-
Increase of other payables-related parties	7	7,500	-
Decrease of other payables-related parties	7	( 7,500 )	-
Repayment of the principal portion of lease liabilities	6(30)	( 7,843 )	( 7,789 )
Cash dividends paid		( 37,724 )	( 62,874 )
Acquisition of subsidiary equity	6(8) and 7	-	( 5,613 )
Net cash provided by (used in) financing activities		( 45,567 )	( 76,276 )
Net increase (decrease) in cash and cash equivalents		( 86,226 )	146,212
Cash and cash equivalents at beginning of year	6(1)	232,255	86,043
Cash and cash equivalents at end of year	6(1)	\$ 146,029	\$ 232,255

The accompanying notes are an integral part of these financial statements.

**OPNET TECHNOLOGIES CO., LTD**  
**2023 Earnings Distribution Table**

Unit: NT\$

Items	Amount	
<b>Unappropriated Retained Earnings of Previous Years</b>		<b>18,639,088</b>
Less: Actuarial loss of defined benefit plan	(82,381)	
Plus: Net income of 2023	94,098,044	
Subtotal		112,654,751
List items		
Less: Appropriated for Legal Reserve	(9,401,566)	
Less: Appropriated for Special Reserve	0	
<b>Retained Earnings Available for Distribution as of December 31, 2023</b>		<b>103,253,185</b>
Distribution Item		
Cash Dividends to Shareholders (NT\$1.2 per share)	(75,448,470)	
<b>Unappropriated Retained Earnings</b>		<b>27,804,715</b>

Note:

- 甲、After the resolution is proposed and approved in the Shareholders' Meeting, the chairman will be authorized to set the ex-dividend date, payment date, and other related matters.
- 乙、The Company distributes cash dividends based on the distribution ratio up to the nearest whole dollar, with amounts less than one dollar being rounded down and the total amount of fractional shares being recorded as other income for the Company.

## Attachment V

**List of Candidates Directors**

<b>Title</b>	<b>Name</b>	<b>Main Education</b>	<b>Main Working Experience</b>	<b>Reasons for serving as an independent director for three consecutive terms</b>	<b>Shares holding</b>
Director	Ching-Tang, Wang	PhD in Electrical Engineering, University of Houston, USA	-Chairman and president of the Company -Engineer at Bell Laboratories -US Geospace Program Manager	Not available	2,404,875
Director	You-Chuen, Feng	PhD in Nuclear Engineering, University of Michigan, USA	-Deputy General Manager of the Company -Engineer at Bell Laboratories - American General Electric Engineer	Not available	1,722,701
Director	Wun-Fong, Liou	-Ph.D. in Optoelectronics, University of Southampton, UK -Visiting Professor, Planck Institute for Light of Science, Germany	-Distinguished Professor and Chair of Department of Electrical Engineering, Feng Chia University	Not available	2,075,000
Independent Director	Chih-Yung, Liou	Department of Electrical Engineering, National Cheng Kung University	-Deputy General Manager of Frontier Communication Co., Ltd. -Director of Frontier Communication Co., Ltd. -Director of Qijing Technology Co., Ltd.	Yes	-
Independent Director	Chen, Tsao	-Ph.D. and Master in Electrical Engineering, Brooklyn Institute of Technology, United States -Bachelor of Institute of Electrical and Control Engineering National Yang Ming Chiao Tung University	-Special Assistant to the Chairman of Halo Technology Co., Ltd. -Supervisor of Halo Technology Co., Ltd. -General Manager/Chairman of Guoting Technology Co., Ltd. -Researcher at Bell Laboratories IEEE Communications	Yes	-
Independent Director	Si-Huei, Kuang	-Bachelor of Accounting, Fu Jen Catholic University	-Director of Securities Accounting Firm -Auditor of Ocean United Accounting Firm -Supervisor of management consultant (stock) company	No (Currently serving the second term)	-

			<ul style="list-style-type: none"> <li>-Supervisor of Deneng Sunshine Investment Co., Ltd.</li> <li>-Supervisor of Bright Biomedical Co., Ltd.</li> <li>- Chairman of consultant (stock) company</li> <li>-Assistant Professor of Accounting Department</li> <li>-Audit leader team of Zhengye United Accounting Firm</li> </ul>		
Independent Director	Yu-Fang, Tang	<ul style="list-style-type: none"> <li>-PhD in Electrical Engineering from University of Illinois</li> <li>-Bachelor's degree in Electrical Engineering from National Taiwan University.</li> </ul>	<ul style="list-style-type: none"> <li>-The advisor of Intelligent Silicon Solution Corporation</li> <li>-The chairman of Intelligent Silicon Solution Corporation</li> </ul>	No (Currently serving the first term)	-

Note: Chen, Tsao and Chih-Yung, Liou, due to their extensive experience in various fields, are able to provide valuable advice to the company, which significantly benefits its operations. Although they have been re-elected as independent directors of the company for three terms, the company still relies on their expertise to provide professional and constructive opinions and to supervise the company's operations. Therefore, this election proposes to nominate Chen, Tsao and Chih-Yung, Liou to continue serving as independent directors of the company.

## Attachment VI

The concurrently job position of the independent director candidate in same business scope companies or similar companies is listed at the following table.

<b>Name</b>	<b>Concurrently company&amp; Position</b>
Chih-Yung,Liou	-Director of National Cheng Kung University Electrical Culture and Education Foundation -Consultant of Taiwan Circuit Board Association
Chen,Tsao	-Supervisor of Sifang Technology Co., Ltd.
Si-Huei,Kuang	-Director of Securities Accounting Firm -Auditor of Ocean United Accounting Firm -Chairman of consultant (stock) company
Yu-Fang, Tang	The chairman 006Ff Intelligent Silicon Solution Corporation

## Appendix

### Appendix I

#### **OPNET TECHNOLOGIES CO., LTD Articles of Incorporation**

##### Section I - General Provisions

###### Article 1

The Corporation shall be incorporated, as a Company limited by shares, under the Company Law of the Republic of China, and its name shall be 榮群電訊股份有限公司 in the Chinese language, and OPNET TECHNOLOGIES CO., LTD in the English language.

###### Article 2

The scope of business of the Corporation shall be as follows:

1. CC01060 Wired Communication Equipment and Apparatus Manufacturing
2. CC01070 Telecommunication Equipment and Apparatus Manufacturing
3. CC01040 Lighting Facilities Manufacturing
4. CC01020 Electric Wires and Cables Manufacturing
5. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
6. CB01010 Machinery and Equipment Manufacturing
7. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
8. E701010 Telecommunications Construction
9. E603010 Cables Construction
10. E603050 Cybernation Equipments Construction
11. EZ05010 Apparatus Installation Construction
12. I301010 Software Design Services
13. F401010 International Trade
14. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import

(1) Research, development, manufacturing, and selling of the following products:

- a. Optical broadband access network systems
- b. SDH/PDH transmission multiplexers
- c. High-speed asymmetric/symmetric digital subscriber line systems
- d. Broadband XDSL modem/router and integrated access device
- e. Broadband wireless communication equipment
- f. Integrated data and voice access equipment
- g. Fiber optical communication systems

- h. LED lighting device and application system
- i. Optical Fiber Cable
- j. Telecommunication Copper Cable
- k. Passive components for Optical Distribution Network (ODN), including optical splitter, optical patch cord, connector, adaptor, closure, cabinet, Optical Distribution Frame (ODF) and relative products
- l. Metal and/or Plastic base telecom equipment rack, frame, cabinet, cable tray/rack and relative products
- m. Antenna
- n. Telecom Power System
- o. NMS/EMS Software Platform
- p. IoT Software Platform

(2) Network system planning, installation and maintenance for the listed above products.

(3) Import and export business of the above-mentioned items.

### Article 3

The Company set up head offices in Hsinchu Science Park, upon resolution of the Board of Directors and approval of competent authority, to set up branches or offices at various locations within and without the territory of the Republic of China.

### Article 4

The Company shall make public announcements in accordance with Article 28 of the Company Act.

### Article 4.1

The Company may provide endorsement and guarantee and act as a guarantor.

## Section II - Shares

### Article 5

The total capital of the company is set at NT\$1 billion, divided into 100 million shares with a par value of NT\$10 per share. The unissued shares are authorized to be issued by the Board of Directors in stages. NT\$200 million of the aforementioned total capital is reserved for the issuance of employee stock options, special shares with stock options attached, or corporate bonds with stock options attached, with a par value of NT\$10 per share, totaling 20 million shares. The Board of Directors is authorized to issue these shares in stages according to its resolution.

### Article 5.1

In the event that the exercise price of the employee stock options is lower than the closing price on the day of issuance, the Company shall obtain the approval of shareholders representing over half of the total issued shares, with at least two-thirds of the voting rights in attendance, to proceed with the issuance. The Company may also apply for issuance in stages within one year

from the date of the Shareholders' Meeting resolution.

#### Article 6

All shares of the Company are registered, signed or stamped by three or more directors and issued after being legally certified. The Company may issue shares without printing physical stock certificates, but the issuance must be registered with a centralized custody institution, and the issuance of other securities shall follow the same practice.

#### Article 7

The transfer of stocks shall be suspended within sixty days prior to each regular Shareholders' Meeting, thirty days prior to each special meeting, or five days prior to the ex-dividend date or any other date on which the Company decides to distribute dividends, bonuses, or other benefits.

### Section III - Shareholders' Meetings

#### Article 8

Shareholders' Meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened by the Board of Directors, within 6 months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.

#### Article 9

If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it, in accordance with Article 177 of the Company Law.

#### Article 10

Each share of stock shall be entitled to one vote, except for those who fall under the circumstances stipulated in Article 179 of the Company Act.

#### Article 11

Except as provided in the Company Law of the Republic of China, resolutions of the Shareholder Meeting shall require the attendance of shareholders holding more than half of the total issued shares and the approval of more than half of the voting rights represented by the attending shareholders. During voting, if the chairman asks whether there is any objection from the attending shareholders, and there is no objection, the proposal shall be deemed adopted, with the same legal effect as if voted in favor.

#### Article 11.1

The resolutions of the Shareholders' Meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting and distributed to all shareholders within twenty days after the meeting. The production and distribution of the minutes may be done electronically or through public announcement.

## Section IV - Directors and Supervisors

### Article 12

The Company has a board of directors consisting of seven to nine members, with the number of members authorized by the Board of Directors. Directors serve for a term of three years and are nominated by candidates, with the list of candidates selected by the Shareholders' Meeting and re-elected by consecutive selection. The Board of Directors of the Company must have more than half of the seats, and cannot have either of the following relationships: (1) spouses or (2) relatives within the second degree.

The company may purchase liability insurance for directors during their term of office for the compensation responsibility they should bear within the scope of their business execution in accordance with the law.

#### Article 12.1

The company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The number of independent directors shall not be less than three, and shall not be less than one-fifth of the number of directors. During the election of directors, it shall be conducted in accordance with Article 198 of the Company Act. The election of independent directors and non-independent directors shall be conducted together and the quotas shall be counted separately.

### Article 13

The Board of Directors is composed of directors. The Board of Directors shall elect one of the directors as the chairman of the board with the consent of two-thirds of all directors present and the majority of directors in attendance.

The chairman of the board represents the Company externally and has the power to sign documents on behalf of the Company in accordance with the resolution of the Board of Directors. During the recess of the Board of Directors, the chairman of the board is authorized by the Board of Directors to act on behalf of the Board of Directors for all acts.

If the chairman of the board cannot perform his or her duties for any reason, he or she shall designate another director as the agent. If no agent is designated, the directors shall elect one among themselves to be the agent.

### Article 14

The Board of Directors of the Company shall hold at least one meeting every quarter. The convocation of the Board of Directors shall specify the agenda and notify each director seven days in advance, but in case of urgent matters, it may be convened at any time. The convocation of the Board of Directors may be made in writing, by email or by fax.

If a director is unable to attend due to any reason, he/she may issue a power of attorney stating the scope of authority and authorize another director to attend on his/her behalf, with the proxy limited to one person.

The Board of Directors may hold a video conference, and directors who participate in the conference through video screens shall be deemed as present in person. When a director has a conflict of interest in the matters discussed at the meeting, he/she shall explain the important content of the conflict of interest at the meeting.

#### Article 15

The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities Exchange Act, and the Audit Committee shall be responsible for performing the duties prescribed by the Company Act, the Securities Exchange Act, and other laws and regulations. The Audit Committee shall be composed of at least (including) one independent director with accounting or financial expertise and at least (including) three independent directors. One of them shall serve as the convener. The resolutions of the audit committee shall be processed in accordance with relevant laws and regulations.

#### Article 16

The remuneration of the chairman of the Board and directors shall be determined by the Board of Directors in accordance with their degree of participation in the Company's operations and the value of their contributions, taking into account the domestic and foreign industry standards.

#### Article 17

The Company shall appoint and dismiss managers in accordance with Article 29 of the Company Act.

### Section V - Accounting

#### Article 18

The accounting year of the Company shall be from January 1 to December 31 of each year. A budget and final accounts shall be prepared at the beginning and end of each fiscal year and approved by the Board of Directors.

#### Article 19

At the end of the accounting year, the Board of Directors shall prepare the following statements and submit them to the Shareholders' Meeting for approval: (1) Business report (2) Financial statements (3) Proposal for the distribution of earnings or covering of losses.

The distribution of the above statements may be made by public announcement.

#### Article 20

If the Company makes a profit during the fiscal year, it shall set aside 3% to 15% of its profit for employee profit sharing, which may be distributed in the form of stocks or cash, as determined by the Board of Directors. The beneficiaries of the distribution may include employees of the Company who meet certain conditions. The Board of Directors may also set aside no more than 3% of its profit as compensation for directors, as determined by resolution. The proposals for the

distribution of employee profit sharing and director compensation shall be reported to the Shareholders' Meeting. However, if the Company still has accumulated losses, a certain amount shall be reserved in advance to make up for them, and then employee profit sharing and director compensation shall be set aside in accordance with the aforementioned proportions.

#### Article 21

If the Company makes a profit in a fiscal year, it shall pay taxes and dues according to law, make up for accumulated losses, and set aside 10% of its profit as a statutory surplus reserve. However, if the statutory surplus reserve has reached the actual paid-in capital of the Company, no more amounts need to be set aside. The remaining profits shall be allocated according to law as special surplus reserves, and shall be included with the accumulated undistributed profits. The proposal for distribution of profits shall be submitted to the Shareholders' Meeting for approval by the Board of Directors.

### Section VI - Supplementary Provisions

#### Article 22

The distribution of dividends in the Company is based on the principle of meeting future operational development, taking into account sound financial structure, maintaining stable dividends, and ensuring reasonable returns for shareholders. The ratio of cash dividends shall generally not be less than 10% of the total shareholder dividends. The actual distribution ratio is authorized by the Board of Directors based on the Company's financial condition and capital budget.

#### Article 23

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

#### Article 24

These Articles of Incorporation are established on December 26, 1990.

The first amendment was made on May 16, 1991.

The second amendment was made on September 8, 1992.

The third amendment was made on November 10, 1992.

The fourth amendment was made on November 7, 1995.

The fifth amendment was made on May 9, 1997.

The sixth amendment was made on September 19, 1997.

The seventh amendment was made on June 17, 1999.

The eighth amendment was made on June 15, 2000.

The ninth amendment was made on October 20, 2000.

The tenth amendment was made on June 28, 2002.

The eleventh amendment was made on June 25, 2003.

The twelfth amendment was made on June 4, 2004.

The thirteenth amendment was made on June 8, 2006.

The fourteenth amendment was made on May 30, 2007.

The fifteenth amendment was made on June 19, 2008.

The sixteenth amendment was made on June 19, 2009.

The seventeenth amendment was made on June 28, 2012.

The eighteenth amendment was made on June 18, 2013.

The nineteenth amendment was made on June 3, 2015.

The twentieth amendment was made on June 15, 2016.

The twenty-first amendment was made on June 27, 2018.

The twenty-second amendment was made on June 5, 2020.

The twenty-third amendment was made on August 24, 2021.

## Appendix II

### **OPNET TECHNOLOGIES CO., LTD Rules and Procedure of Shareholders' Meetings**

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.
2. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
3. Shareholders attending the Meeting may submit the sign-in card instead of signing in.
4. Attendance and voting at the Meeting should be based on shareholding. The number of shares present shall be calculated based on the signature book or the sign-in card submitted, plus the number of shares exercised by written or electronic means.
5. The chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Article 175 of the Company Law of the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of the Republic of China. If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.
6. The chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If for any reason, the chairman of the Board of Directors cannot preside at the Meeting, the Vice chairman of the Board of Directors or one of the Directors shall preside at the Meeting in accordance with Article 208 of the Company Law of the Republic of China.  
If the Meeting is convened by any other person entitled to convene the Meeting. If there are two or more convener(s), they shall elect one person to serve as the chairman.
7. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.
8. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. However, in the event that the chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting. The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is

adjourned.

9. Any amendments or substitute proposals regarding a proposal should be seconded by other shareholders.
10. When a shareholder entrusts a proxy to attend the Meeting and one proxy is entrusted by two or more shareholders, the voting rights of the representative shall not exceed 3% of the total voting rights of the issued shares, and any excess voting rights shall not be counted. If there is no objection when the chairman asks for approval during the voting, it shall be deemed as approved, and its effectiveness shall be the same as that of the vote. If there is an amendment or substitute proposal that does not coexist with the original proposal for the same agenda item, the chairman may determine the order of voting. If one of the proposals has obtained the legally required or stipulated number of votes, the other proposals that cannot coexist shall be deemed as rejected, and there is no need to vote again. When a shareholder has a personal interest in a matter of the meeting that may harm the Company's interests, they shall not participate in the vote and shall not act as a proxy for other shareholders.
11. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of sign-in card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. Shareholders may only speak and ask questions regarding the items in the agenda after the chairman or their designated person has finished reading or reporting on all the items in the agenda. Each shareholder (or proxy) shall not, for each discussion item, speak more than two times, each time not exceeding five minutes, however, with the chairman's permission, the time limit may be extended for three minutes. In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder. Other attending shareholders may also request the chairman's intervention. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.
12. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
13. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.
14. The chairman may announce to end the discussion of any resolution and go into voting if the chairman deems it appropriate, and arrange sufficient voting time accordingly.
15. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record. If an election is held, the results should be announced on the spot, including the list of elected candidates, the number of votes they received, and the list of unsuccessful

candidates and the number of votes they received.

16. Except as provided in the Company Law of the Republic of China, resolutions of the Meeting shall require the attendance of shareholders holding more than half of the total issued shares and the approval of more than half of the voting rights represented by the attending shareholders. The resolutions of the Shareholders' Meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting and distributed to all shareholders within twenty days after the meeting. The production and distribution of the minutes may be done electronically or through public announcement.  
The minutes of the Meeting should record the proceedings and voting results. When electing directors and independent directors, the number of votes received by each candidate should be disclosed. The minutes of the meeting should be permanently preserved during the existence of the company. Except for Article 189 of the Company Law, the signature book of the shareholders and the power of attorney for proxy attendance should be kept by the Company for at least one year.
17. During the Meeting, the chairman may, at his discretion, set time for intermission. If the Meeting cannot be concluded in one session, the chairman may resume it within five days without further notice or public announcement.
18. During the Meeting, if an air raid alarm, earthquake, or other force majeure event occurs, the chairman should immediately announce the suspension of the Meeting and instruct everyone to evacuate. Afterward, the chairman may decide whether to continue the meeting depending on the situation.
19. Persons handling affairs of the Meeting shall wear identification cards or badges.  
The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.
20. The entire process of the Meeting should be recorded by audio or video and kept for at least one year.
21. In regard to all matters not provided for in these Rules and Procedure of Shareholders' Meetings, the Company Law of the Republic of China shall govern.
22. These Rules and Procedure of Shareholders' Meetings are established on May 8, 1998.  
The first amendment was made on June 28, 2002.  
The second amendment was made on June 22, 2011.  
The third amendment was made on June 28, 2012.  
The fourth amendment was made on June 5, 2020.  
The fifth amendment was made on August 24, 2021.

## Appendix III

### **Status of Shareholder Proposals and Nominations Acceptance**

1. According to Article 172-1 of the Company Law, shareholders who hold 1% or more of the total issued shares of the Company on the record date of the annual Shareholders' Meeting may propose motions to the company. The period for accepting proposals is from April 11 to April 21, 2023.
2. Each shareholder may propose one proposal, which must be limited to 300 words (including text and punctuation). Otherwise, it will not be included in the agenda of the Shareholders' Meeting. The proposing shareholder(s) should attend the annual Shareholders' Meeting in person or authorize others to attend and participate in the discussion of the proposed motion.
3. During the period, the Company did not receive any proposals or nominations.

## Appendix IV

**OPNET TECHNOLOGIES CO., LTD**  
**Shareholdings of All Directors**

1. According to Article 3 of the Guidelines for Matters to be Recorded and Complied with at Shareholders' Meetings of Public Companies, the Company hereby discloses the number of shares held by the directors and supervisors of the Company as of the book closure date of 2023 annual Shareholders' Meeting (April 18, 2023) , as shown in the attached table.
2. The total number of shares issued by the Company is 62,873,725 shares. According to Article 26 of the Securities and Exchange Act and Article 2 of the Regulations Governing the Calculation of Shareholding Ratios of Directors and Supervisors of Public Companies and the Verification Thereof, the shares held by independent directors shall not be counted towards the total number of shares. If there are two or more independent directors, the percentage of shareholding by all directors excluding independent directors shall be reduced to 80%. The minimum number of shares that all directors should hold is 5,029,898 shares.

Record Date: April 18, 2023

Title	Name	Current Shareholding(Shares)	Shareholding ratio	Remarks
Chairman	Ching-Tang, Wang	2,404,875	3.82%	None
Director	You-Chuen, Feng	1,722,701	2.74%	None
Director	Yihan Investment Co., Ltd.	136,000	0.22%	None
Director	Wun-Fong, Liou	2,075,000	3.30%	None
Independent Director	Chih-Yung, Liou	-	-%	None
Independent director	Chen, Tsao	-	-%	None
Independent director	Si-Huei, Kuang	-	-%	None
Total		6,335,576	10.07%	