数字科技股份有限公司
ADDCN TECHNOLOGY

ADDcn Technology Co., Ltd

2024 Annual General Shareholders' Meeting Notice

(Summary Translation)

Time: 9 AM on Wednesday, June 13, 2024

Place: No. 40, Siyuan Road, Xinzhuang District, New Taipei City
Theater D (Amazing Hall-XinZhuang)

Meeting type: Physical Shareholders' Meeting

1. Meeting Agenda:
   (1) Report Items
      I. 2023 Business Report
      II. 2023 Audit Committee's Report
      III. 2023 report on the distribution of remuneration to directors and employees
      IV. 2023 report on the distribution of cash dividends
   (2) Ratification Items
      I. 2023 Business Report and Financial Statements
      II. 2023 distribution of earnings
   (3) Discussions Items
      I. Proposal for a new share issue through capitalization of earnings
      II. Proposal for the amendments of the Articles of Incorporation of the Company
      III. Proposal for the issuance of new restricted employee shares
   (4) Elections
      I. Election of the Company's Board Members
   (5) Other Matters
      I. Proposal for releasing the Prohibition on Directors from Participation in Competitive Business for newly elected directors and his/her authorized representatives
2. If the Company decides to hold a meeting under Article 172 of the Company Law, electronic files will be posted to the Market Observation Post System at https://emops.twse.com.tw. Please select "Shareholders' Meetings" under the "Electronic Books" tab, enter the year, and click "GO" to find the meeting files corresponding to Company code.
3. This shareholders' meeting will elect 9 directors (including 3 independent directors) using a candidate nomination system. The list of candidates for directors: Liao, Shih-Fang, Wu, Tsung-Hsien, Lin, Mei-Hui, Cheng Yu Investment Co., Ltd., Wang, Chung-Ping and Chou, Liang-Cheng; for independent directors: Chen, Su-Ting, Chang, Ching-Hsun and Jeng,

Gung-Yeu. Shareholders desiring to access pertinent information regarding the candidates' academic and professional backgrounds are directed to refer to the Public Information Observation Station (website: https://mops.twse.com.tw) and input their query parameters into the "Announcement Inquiry" section.

4. Proposal for a new share issue through capitalization of earnings, resolution of the board of directors, The resolution of the board of directors is as follows:

(1) The Company planned to attribute NT$41,263,000 from earnings to issue dividends stocks, divided into 4,126,300 new shares. 73.85048779 shares will be allotted without charges for every 1,000 shares the shareholder held. The existing shareholders may apply to the Company's stock transfer agency to combine fractional shares into one share within 5 days prior to the book closure date after the ex-rights date. According to Article 240 of the Company Act, uncombined shares or fractional shares shall be converted into cash payment in par value, calculated up to NT$1 (digits after the decimal point to be ignored), and the chairman is authorized to designate personnel to purchase the aforementioned uncombined or fractional shares at par value. As for shareholders who participate in book transfers for stock allotment, the fragmentary payments that are less than par value will be used as payment for book transfer fees.

(2) The board of directors is authorized to determine the base issue date and other matters regarding the issuance of new shares after the proposal is resolute by the shareholders' meeting and approved by the competent authorities.

(3) subsequently, in case of changes in the Company's share capital causing an impact on the number of outstanding shares, and thereby causing changes in allotment ratio, it is proposed that the shareholders' meeting authorize the chairman to handle it with full authority.

5. The Company propose to issue new restricted employee shares, Details regarding are as follows:

(1) Total issue amount: 315,000 new common shares, with a par value of NT$10 per share, totaling NT$3,150,000. This issuance is allowed for registration either as a single or multiple issuances over a period of 1 year from the date of the shareholders resolution.

(2) Terms of issuance:

A. Issue price: The proposed new shares will be distributed to employees without charges, with an issuance price of NT$0 per share.

B. Vesting conditions: From the grant date of the restricted employee shares, also known as the base date for the issuance of such options, should the employee remain in service throughout the following schedule, and has achieved a rating of 'excellent' or higher in the performance evaluation of the previous year, they may exercise their entitlement according to the following schedule:
Upon completion of one year of service from the grant date: 50%
Upon completion of two years of service from the grant date: 50%

C. Class of issued shares: The Company's common share.

D. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance: In instances where the vesting conditions are not being met, unless otherwise specified in the Company's Issuance Rules of Restricted Employee

Shares, all shares granted to such individuals shall be fully reclaimed by the Company at no cost and subsequently canceled. In the case of inheritance, all necessary procedures shall be conducted in accordance with relevant provisions outlined in the Issuance Rules of Restricted Employee Shares.

(3) Qualification and conditions for eligible employees and the number of shares distributable: As of the issuance date of the proposed new restricted employee shares, formal employees of the Company who meet certain performance criteria shall be considered eligible. The actual employees to be allocated and the quantity thereof shall be determined based on factors such as seniority, position, performance, and overall contribution, taking into consideration the operational requirements and business development strategies of the Company. All resolutions shall be made within the legal limits in accordance with the proposed Issuance Rules of Restricted Employee Shares, and subject to approval by the board of directors.

(4) The reasons why it is necessary to issue the new restricted employee share: To attract and retain talent necessary for the development of the Company or its affiliates, and to enhance employees' morale and sense of belonging, thereby collectively creating value for the Company.

(5) Cost estimation: Assuming the issuance price is set for free distribution, the anticipated total expenses post-issuance could amount to NT$65,205,000 (calculated at the closing price of NT$207 on March 6, 2024). The estimated annual expense allocations for the fiscal years 2024, 2025, and 2026 are NT$8,150,625, NT$32,602,500, and NT$24,451,875, respectively.

(6) Dilution of the Company's earnings per share and other factors affecting shareholders' equity: Assuming a calculation based on the closing price of NT$207 on March 6, 2024, the estimated annual impact on earnings per share for the fiscal years 2024, 2025, and 2026 would be approximately NT$0.15, NT$0.58, and NT$0.44, respectively (calculated based on the Company's outstanding shares issued of 55,873,700 on March 6, 2024). Judging from the preceding calculation, there is no evidence indicating a significant impact on existing shareholders' equity.

(7) Other matters to be specified:

A. At the time when the proposed issuance is being implemented, the board of directors shall be authorized, following a resolution, to file the registration to the competent authorities in accordance with the law. Should revisions be required during the review process by the competent authorities, the Chairman is authorized to amend these regulations. Subsequently, the amended regulations must be submitted to the board of directors for retrospective approval before the proposed issuance may proceed.

B. Upon receiving approval from the shareholders' meeting for the preceding details, the board of directors shalldocument all required information specified in applicable regulations and formulate the Issuance Rules of Restricted Employee Shares.

6. Pursuant to Article 165 of the Company Act, the Company hereby closes the share transfer registration from April 15, 2024 to June 30, 2024.

7. Please fid enclosed the “Notice of Attendance” and “Proxy Statement.” If you intend to personally attend the meeting, please sign or place your seal in the "Registration Card"

column. Shareholders may sign or place their seal in the "Proxy Statement" column to appoint a proxy to attend the meeting on his or her behalf and execute power of attorney in writing. Please fill in the "Proxy Statement" and deliver to the Company's stock agency, Capital Securities Corporation Transfer Agent, no later than, 5 days prior to the meeting date.

8. The company will compile a summary statement of the relevant information provided by shareholders through solicitation of the proxy and disclose the content in the website of Securities & Futures Institute (SFI) on May 13, 2024. Shareholders can navigate to SFI's web page (https://free.sfi.org.tw) to view relevant information.
9. The Transfer Agency Department of Capital Securities Corporation is the proxy tallying and verification institution for this Annual meeting.
10. Shareholders may exercise his/her/its voting rights by way of electronic transmission during the period from May 14, 2024 to June 10, 2024. Please log in the “Stockvote” (https://www.stockvote.com.tw) of Taiwan Depository & Clearing Corporation (TDCC) and vote in.

<u>Note to Readers:</u>

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.