

Code : 5299



杰力科技股份有限公司  
*Excelliance MOS Corporation*

2023 Annual Shareholders' Meeting

Meeting Handbook  
(Translation)

June 9 ,2023

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# Excelliance MOS Corporation

## 2023 Annual Shareholders' Meeting

### Meeting Procedure

1. Call the Meeting to Order
2. Chairperson's Address
3. Report Items
4. Approval Items
5. Election
6. Other Motion
7. Other Business and Special Motion
8. Meeting Adjourned

Excelliance MOS Corporation  
2023 Annual General Shareholders' Meeting Meeting Agenda  
(Translation)

**Meeting type:** Physical shareholders' meeting

**Time:** 9:30 a.m., June 9, 2023 (Friday)

**Location:** 2F., No. 26, Taiyuan St., Zhubei City, Hsinchu County , Taiwan (R.O.C.)  
Taiyuan Science and Technology Park Hall

**Attendants:** All shareholders or their proxy holders

**Chairperson:** LI, CHI-LUNG, Chair of the Company

1. Call the meeting to Order
2. Chairperson's Address
3. Report Items
  - (1) To report the business of 2022
  - (2) Audit Committee's review report
  - (3) To report the distribution of 2022 employees' and directors' compensation
  - (4) To report the proposal for the 2022 earnings distribution of cash dividends
  - (5) China Investment Situation Report.
  - (6) Report on the implementation status of private placement of common stock capital increase.
4. Proposed Resolutions
  - (1) To accept 2021 Business Report and Financial Statements
  - (2) To accept Company's 2021 Earnings Distribution
5. Election
  - (1) The company elected two additional directors.
6. Other Motion:
  - (1) The release from the prohibition of competition between the directors of the company and their representatives.
7. Other Business and Special Motion:
  - (1) The release from the prohibition of competition between the directors of the company and their representatives.
8. Meeting Adjourned

## Report Items

1. To report the business of 2022

Explanatory Notes : The business report of 2022. Please refer to Attachment 1.  
(Please refer to page 8-10)

2. Audit Committee's review report

Explanatory Notes : Audit Committee's review report. Please refer to  
Attachment 2. (Please refer to page 11)

3. To report 2022 employees' profit sharing and directors' compensation (proposed by the Board of Directors)

Explanatory Notes : The compensation of employees and the remuneration of directors for 2022 have been approved by the Board of Directors on February 17, 2023. The proposed amounts to be distributed as compensation to employees and remuneration to directors are NT\$46,587,386 and NT\$11,646,846, respectively. There are no differences between the amounts decided by the Board of Directors mentioned in above and the amounts recorded in the Company 2022 financial statements.

4. The distribution of cash dividends for 2022

Explanatory Notes :

According to the regulations of Article 21 of the company's Articles of Association, Board of Directors is authorized to issue all or part of the dividends and bonuses payable in cash and report it to Board of Shareholders. Shareholders' dividends NTD427,304,315 were withdrawn from surplus of 2022 and distributed in cash. NTD 8.39679448 was issued for per share.

5. China Investment Situation Report.

Explanatory Notes :

Unit: in thousands of NTD/ in thousands of USD

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 2)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022 (Note 2)	Investment flows (Note 2)		Accumulated outflow of investment from Taiwan as of December 31, 2022 (Note 2)	Net income (losses) of the investee	Percentage of ownership owned directly or indirectly by the Company	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Shenzhen Jie Yong Technology CORP.	Commercial trade	19,962 (US\$650)	Indirect investment through Excellent Mega Investment Corp.	15,355 (US\$500)	4,607 (US\$150)	-	19,962 (US\$650)	(3,832) (RMBS(863))	100%	100%	(3,832) (RMBS(863))	6,311 (RMBS1,423)	-

6. Report on the implementation status of private placement of common stock capital increase.

Explanatory Notes :

Please refer to Attachment 3. (Please refer to page 12-13)

## **Approval Items**

1. To accept 2021 Business Report and Financial Statements (proposed by the Board of Directors)

Explanatory Notes:

- (1) Business Report of 2022 and Audit Report of the Audit Committee

Please refer to Attachment 1 and Attachment 2. (pages 8-11)

- (2) EMC's 2022 Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity and statement of cash flow were audited by independent auditors, Kuo, Kuan-Ying and Wang, I-Wen, of KPMG Taiwan, and a report has been issued.

Please refer to Attachment 4 and Attachment 5. (pages 14-29)

2. To accept Company's 2022 Earnings Distribution (proposed by the Board of Directors)

Explanatory Notes:

- (1) The 2022 Earnings Distribution was approved by the Board of Directors and reviewed by the Audit Committee, and the Audit Committee's Review Report has been issued.

- (2) Please refer to Attachment 6 (page 30) of this Handbook for the 2022 Earnings Distribution Table.

## **Election**

1. By-election of two additional directors (proposed by the Board of Directors)

Explanatory Notes:

- (1) In response to the private equity investment agreement, the company plans to elect two more directors, and the number of directors (including independent directors) will increase from the original seven to nine.
- (2) The new directors will take office after the conclusion of the shareholders' meeting, and their term of office is the same as that of the current session of directors, from June 9, 2023 to May 25, 2025.
- (3) In accordance with Article of the Company's Articles of Association, the election of directors of the Company adopts the candidate nomination system. Directors shall be elected by shareholders from the nomination list. The

Company held a Board of Directors meeting on February 17, 2023. The nomination list for directors was approved in the meeting with Wu, CHIA-LIEN and Actron Technology Corporation as the candidates. For their education, experience, and other relevant information, please refer to information as below:

Title	Name	Education & Experience	Current position	Shareholdings (share)
Directors	Wu, CHIA-LIEN	<ul style="list-style-type: none"> <li>● University of Wales MBA Master degree</li> <li>● CHIAO TUNG EMBA Master degree</li> <li>● CHIAO TUNG University Department of Electrophysics bachelor</li> <li>● EPISIL Tech Senior Manager of R&amp;D Department</li> <li>● Niko Semiconductor Manager of R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>● EMC General manager</li> <li>● Chairman of Jieli Investment (Shares) Co., Ltd.</li> <li>● Director of Lianli Investment Co., Ltd.</li> <li>● SINGULAR WINGS MEDICAL CO., LTD. Supervisor</li> </ul>	570,103 share
Directors	Actron Technology Corporation	N/A	N/A	15,000,000 share

**Election result :**

## Other Motion

1. To release non-compete restrictions on newly-elected directors and their representatives.

### Explanatory Notes

- (1) According to Article 209 of the Company Act, any Director conducting business for himself/herself/itself or on another's behalf, whereby the scope of the business coincides with the scope of the Company's business, shall explain at the Shareholders' Meeting the essential contents of such conduct, and obtain approval from shareholders in the Meeting.
- (2) It is proposed to request the Shareholders' Meeting to release the non-

compete restrictions on newly-elected directors, who participate in the operations of another company that engages in the same or similar business scope as the Company.

- (3) The list of non-competition restrictions proposed to be lifted by the Company on each Director is attached hereto as Attachment 7.(page 31)

Resolution:

## **Other Business and Special Motion**

## **Adjournment**



# **Attachment**

## **【Attachment 1】**

### **Excelliance MOS Corporation**

#### **Business Report**

In 2022, EMC faced negative growth for the first time after our transformation in 2015. In addition to the reasons for the high base period of 2021 years, the external international situation is treacherous, China and the United States are competing to intervene in the development of free economy with trade restrictions, the market environment has changed rapidly, the supply and demand imbalance of the global semiconductor industry, economic recession, increased inflation and rising interest rates and many other factors, This leads to a reduction in consumers' real purchasing power and willingness to consume.

According to the global PC report released by research survey Canalys, global PC shipments dropped by 16.2% last year, and notebook PCs dropped by nearly 20%. On the one hand, EMC joins hands with our long-term partners to share the difficulties and reduce the impact of operations; on the other hand, it actively deploys new strategic partners to create unlimited possibilities and value in the future.

As the global economy is still full of various uncertainties, the management team still regards this as an opportunity to improve operational efficiency, hoping to deepen and strengthen its competitiveness.

#### **I. Corporate Operations in 2022**

1. Financial balance and profitability : Our operating revenues totaled NT\$233,454,000, a decrease of 15% from the previous year; Net operating income was NT\$631,789,000; Profit after income tax was NT\$569,739,000, a decrease of 9% from the previous year; Basic earnings per share was NT\$15.89, a decrease of 9% from the previous year.
2. Budget implementation : The company has not announced its financial forecast in 2022.
3. Results of business plan implementation : The management team upholds the spirit of diligence and pragmatism to face market challenges bravely, constantly improves new products and technologies, and launches power management ICs and power components required for next-generation computer platforms and smart homes, providing customers with more complete product portfolios and solutions .
4. Research development status :

- (1) Approved of China. patent No.4959926 -Power Switch.
- (2) Approved of U.S.A patent No. US11,258,438B1 -CONTROL DEVICE OF POWER SWITCH.
- (3) Approved of China. patent No.5139222 -Power Switch Circuit.
- (4) Intelligent Motor Driver for Robotic Vacuum Cleaner.
- (5) Approved of TW. patent No. M628743 - Trench Power MOSFET
- (6) Low FOM 63mohm\*nQ 40V N-type S.G-MOSFET launched for high efficiency electrical switching power device.
- (7) Low voltage high current DC/DC Step Down Converter for GPU application.
- (8) Approved of China. patent No.5491765 -Control Circuit Thereof for Power Switch.
- (9) Approved of TW. patent No. I779245 - GATE STRUCTURE OF GALLIUM NITRIDE HEMT.
- (10) Programmable Low Ron USB PD Power Switch
- (11) Programmable Low Ron Low Cost USB 1CH PD Power Switch.
- (12) 30V N-type 2nd Gen Driver MOSFET launched for high efficiency electrical switching power device..
- (13) 650V Low VF SiC Diode launched for high efficiency electrical switching power device.

## II. Corporate Operations Plan

Taiwan's semiconductor industry has changed from being oriented toward production efficiency in the past to being oriented towards technology leadership. This trend is more pronounced in the mature computer industry, where competition in the industry has become more intense, and operations are full of various challenges.

In the future, EMC Technology will be committed to Improve the quality of sales and R&D services, and establish long-term cooperative relationships with customers to improve sales performance. On the basis of existing technology, develop applications in other industrial fields, especially functionally integrated products, in response to changes in market demand. Besides, actively invest in energy-saving products like using power management technology to reduce system power loss and developing intelligent power conversion technology to automatically judge the power supply status of the power system and switch to an appropriate mode to improve conversion efficiency and save energy loss.

III. Influenced by the external competitive environment, regulatory environment and

overall business environment.

EMC firmly believes that only continuous investment in R&D resources, deep cultivation of technology and research and development in Taiwan is the primary rule for the sustainable operation of enterprises. Therefore, the company will continue to focus on the integrity of the product line and the development of functionally integrated products, reducing obstacles in system design and manufacturing, and meeting customers' all-round needs for rapid R&D and complete solutions. In addition, in the face of the global trend of energy saving, the power conversion efficiency of electronic products needs to be continuously improved. The company will focus on the improvement of products and structures, and strive to develop high-performance power management ICs and components.

#### IV. Future company development strategy

Looking forward to 2023, although the overall market conditions for consumer electronics products are still sluggish, market research firm IDC predicts that overall notebook shipments will be higher than pre-pandemic levels. It is expected that the peak season of demand in the second half of the year will drive PC product shipments to rebound. In terms of smart home products, according to Technavio's data, from 2011 to 2016, the smart home market is expected to grow by US\$133 billion, with a sustained high compound annual growth rate of 18.36%. At the same time, we also look forward to accelerating the fruition of products in the automotive field under the injection of new decision-making partners. He also hopes that all members of Jieli will work together and continue to improve, and strive to improve the company's efficiency and competitiveness and strengthen the value of product innovation and management, so as to create the greatest benefits for all shareholders.

Finally, I hope that all shareholders will continue to give encouragement and advice to the company, and thank all shareholders for their long-term support to the company.

Chairman of the Board

**LI,CHI-LUUNG**

Managerial Officer

**WU, CHIA-LIEN**

Finance and Accounting Supervisor

**CHEN, CHIEN-HENG**

**【Attachment 2】**

**Excelliance MOS Corporation  
Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and Proposal for Earnings Distribution, among which the Financial Statements have been audited by KPMG, Taiwan, by whom an audit report has been issued accordingly. The above business report, financial statements and proposal for earnings distribution have been examined and reviewed by the Audit Committee, and no irregularities were found. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. We hereby produce this report for your review.

Sincerely,

2023 Annual General Shareholders' Meeting of Excelliance MOS Corporation.

Convener of the Audit Committee: **CHEN, YA-CHEN**

**Feb. 17,2023**

### 【Attachment 3】

#### Report on the implementation status of private placement of commonstock capital increase.

Item	The first private placement in 2023 Issue date : March 15,2023
Types of securities privately placed	Common shares
Shareholders' meeting approval date and amount	Date passed by shareholders meeting: May 26, 2022 Amount : 15,000 thousand shares
Pricing basis of private placement and its reasonableness:	<ol style="list-style-type: none"> <li>1. For pricing the subscription to common shares of this private placement, the reference price shall be the highest of either the simple arithmetic average of the closing price of the common s hares either on the first, third, or fifth business day immediately prior to the price determination date, after adjustment for any distribution of stock dividends,cash dividends or capital reduction, or the simple arithmetic average of the closing price of the common shares 30 business days prior to the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.</li> <li>2. The actual private placement price is submitted to the shareholders' meeting to authorize the board of directors to set it at no less than 80% of the reference price depending on the situation of the specific person and market conditions in the future.</li> <li>3. The actual pricing date is submitted to the shareholders' meeting to authorize the board of directors to decide on the situation of the specific person in the future. °</li> <li>4. The private placement price is set with reference to the company's operating performance, future prospects, and recent stock prices; and considering the restrictions on the transfer of private placement securities within three years from the delivery date, it should be reasonable.</li> </ol>
The way a particular person chooses	There is no specific candidate at this stage. The counterparties for private placement will be limited to the specific parties provided under Article 43-6 of the Securities and Exchange Act and the “Directions for Public Companies Conducting Private Placements of Securities”, and those who are relevant to strengthen the technology, or business required for the Company’s operations as strategic investors.The related matters to decide the selected subscriber are submitted to the shareholders’ meeting to authorize the board of directors to handle such matters at its discretion.
Reason for conducting non-public offering:	With consideration to time effectiveness and convenience of the private placement method, and to accommodate the Company’s planning for

Item		The first private placement in 2023 Issue date：March 15,2023			
		development and attracting strategic investors, it is necessary to conduct private placement.			
Fully paid-in payments date		Jan 18,2023			
Subscriber Information	The counterparties for this private placement (註 5)	Qualifications (註 6)	Number of shares	relationship with the Company:	Participate in the company's business situation
	Actron Technology Corporation	A legal person that meets the conditions set by the competent authority	15,000 thousand shares.	No relationship with EMC	There was no major change in management rights.
The subscription price		NT\$ 99.45			
The difference between the actual subscription price and the reference price		Reference price is NT\$117 and the subscription price is NT\$99.45，It was 85% of the reference price.			
The impact of private placement on shareholders' rights and interests		Improving the company's operating scale and assisting the company in improving technology, improving efficiency, expanding operating scale, and enhancing market position, which is positive for creating company and shareholder value.			
Use of private equity funds and plan implementation progress	Use of funds	Actual amount spent	Implementation as of the first quarter of 2023		
	Expand working capital	231,780,579	Unused funds are kept in the company's bank account.		
	Purchase machinery and equipment	1,974,640	Unused funds are kept in the company's bank account.		
Benefits of private placements		N/A			

## **【Attachment 4】**

### **Independent Auditors' Report**

To the Board of Directors of Excelliance MOS Corporation:

#### **Opinion**

We have audited the consolidated financial statements of Excelliance MOS Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2022 and 2021, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

1. Inventory valuation

Please refer to note 4(h) for accounting policy related to valuation of inventory; note 5 for uncertainty of inventory estimates and assumption; and note 6(f) for information regarding inventory and related expenses.

Description of key audit matter:

The Group is engaged in the research and development, design, manufacture and sales of key components for high efficiency power systems. With the rapid development of technology, end products and application impact the market demand which may lead to risks, wherein the costs of inventories may exceed its net realizable values. Besides, the sales situation has an influence on valuation and should be followed up. In addition, inventories are important assets in the consolidated financial statements. Therefore, the valuation of

inventories is identified as one of the key audit matters in our audit procedures.

**Audit procedures:**

Our principal audit procedures included: assessing the allowance for inventory valuation and obsolescence losses to determine whether the policies of the Group and the accounting policies are applied accordingly, as well as performing sampling process to inspect the aging inventory statement and analyzing the change in aging inventory. Also, we reviewed the management meeting minutes for the items of individual identification as inventory obsolescence and their allowance in order to verify their appropriateness.

**2. Revenue recognition**

Please refer to note 4(m) for accounting policy related to revenue from contracts with customers; and note 6(q) for information regarding revenue recognition.

**Description of key audit matter:**

The Group is engaged in the research and development, design, manufacture and sales of key components for high efficiency power systems. The sales revenue is a key matter in the consolidated financial statements, and the amount and change of sales revenue may affect the understanding of the users of the consolidated financial report. Therefore, revenue recognition is identified as one of the key audit matters in our audit procedures.

**Audit Procedures:**

Our principal audit procedures included: testing the related controls surrounding the aforementioned sales and collection cycle; verifying and adjusting the information between sales system and general ledger, as well as performing test on details in order to evaluate the accuracy of the timing of the operating revenue recognition and determine whether related accounting policies of the Group are applied appropriately.

**Other Matte**

Excelliance MOS Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 the Audit Committee) are responsible for overseeing the Group's financial reporting process.



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan-Ying Kuo and I-Wen Wang.

KPMG

Taipei, Taiwan (Republic of China)  
February 17, 2023

#### **Notes to Readers**

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**EXCELLIANCE MOS CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 225,398	8	242,155	10	2170	Accounts payable	\$ 170,543	6	289,898	11
1110	Current financial assets at fair value through profit or loss (note (6)(b))	40,000	1	76,160	3	2200	Other payables	430,943	16	349,983	14
1170	Notes receivable and accounts receivable, net (note (6)(e))	251,339	9	451,436	18	2230	Current tax liabilities	318,177	12	239,988	10
1300	Inventories (note (6)(f))	899,193	33	441,838	17	2280	Current lease liabilities (note (6)(k))	6,254	-	9,057	-
1476	Other financial assets-time deposits for more than three months (note (6)(a))	838,466	31	873,981	34	2300	Other current liabilities	4,325	-	4,516	-
1479	Other current assets	28,862	1	13,011	-	2320	Long-term borrowings, current portion (note (6)(j))	120	-	121	-
		2,283,258	83	2,098,581	82			930,362	34	893,563	35
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	4,450	-	4,350	-	2540	Long-term borrowings (note (6)(j))	755	-	874	-
1535	Non-current financial assets at amortized cost (note (6)(d))	101,579	4	45,897	2	2580	Non-current lease liabilities (note (6)(k))	2,610	-	4,806	-
1600	Property, plant and equipment (note (6)(g))	172,483	6	157,536	6			3,365	-	5,680	-
1755	Right-of-use asset (note (6)(h))	8,990	-	13,950	1		Total liabilities	933,727	34	899,243	35
1780	Intangible assets	2,643	-	4,900	-		Equity:				
1840	Deferred tax assets (note (6)(m))	13,608	1	23,439	1		Equity attributable to owners of parent: (notes (6)(n) and (o))				
1900	Other non-current assets	155,478	6	195,989	8	3110	Ordinary share	358,890	13	357,587	14
		459,231	17	446,061	18	3200	Capital surplus	312,075	11	305,454	12
						3300	Retained earnings	1,138,680	42	984,287	39
						3400	Other equity interest	(883)	-	(1,929)	-
							Total equity	1,808,762	66	1,645,399	65

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**EXCELLIANCE MOS CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenues, net</b> (note (6)(q))	\$ 2,334,541	100	2,756,828	100
5000	Operating costs (notes (6)(f), (l) and (12)(a))	1,381,654	59	1,607,286	58
5900	<b>Gross profit from operations</b>	952,887	41	1,149,542	42
	<b>Operating expenses:</b> (notes (6)(l) and (12)(a))				
6100	Selling expenses	57,224	2	68,217	2
6200	Administrative expenses	85,266	4	98,900	4
6300	Research and development expenses	178,608	8	207,690	8
		321,098	14	374,807	14
6900	<b>Net operating income</b>	631,789	27	774,735	28
	<b>Non-operating income and expenses:</b>				
7100	Interest income	19,903	1	4,498	-
7010	Other income	6,366	-	3,178	-
7020	Other gains and losses, net (notes (6)(b) and (6)(s))	60,340	3	(4,193)	-
7050	Finance costs (note (11))	(176)	-	(216)	-
		86,433	4	3,267	-
7900	<b>Profit before income tax</b>	718,222	31	778,002	28
7950	Less: Income tax expenses (note (6)(m))	148,483	6	150,090	5
	<b>Profit</b>	569,739	25	627,912	23
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(c))	100	-	-	-
	Items that may not be reclassified subsequently to profit or loss	100	-	-	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	946	-	(150)	-
	Items that may be reclassified subsequently to profit or loss	946	-	(150)	-
8300	<b>Other comprehensive income (after tax)</b>	1,046	-	(150)	-
	<b>Comprehensive income</b>	<b>\$ 570,785</b>	<b>25</b>	<b>627,762</b>	<b>23</b>
	<b>Earnings per share</b> (note (6)(p))				
9750	<b>Basic earnings per share</b>	<b>\$ 15.89</b>		<b>17.68</b>	
9810	<b>Diluted earnings per share</b>	<b>\$ 15.67</b>		<b>17.40</b>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**EXCELLIANCE MOS CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
				Special reserve	Unappropriated retained earnings	Total retained earnings				
Balance at January 1, 2021	\$ 354,524	287,667	90,717	1,400	494,731	586,848	(1,779)	-	(1,779)	1,227,260
Profit for the year	-	-	-	-	627,912	627,912	-	-	-	627,912
Other comprehensive income for the year	-	-	-	-	-	-	(150)	-	(150)	(150)
Total comprehensive income for the year	-	-	-	-	627,912	627,912	(150)	-	(150)	627,762
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	32,643	-	(32,643)	-	-	-	-	-
Special reserve	-	-	-	379	(379)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(230,473)	(230,473)	-	-	-	(230,473)
Share-based payment transactions	3,063	17,787	-	-	-	-	-	-	-	20,850
Balance at December 31, 2021	357,587	305,454	123,360	1,779	859,148	984,287	(1,929)	-	(1,929)	1,645,399
Profit for the year	-	-	-	-	569,739	569,739	-	-	-	569,739
Other comprehensive income for the year	-	-	-	-	-	-	946	100	1,046	1,046
Total comprehensive income for the year	-	-	-	-	569,739	569,739	946	100	1,046	570,785
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	62,792	-	(62,792)	-	-	-	-	-
Special reserve	-	-	-	150	(150)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(415,346)	(415,346)	-	-	-	(415,346)
Share-based payment transactions	1,303	6,621	-	-	-	-	-	-	-	7,924
Balance at December 31, 2022	\$ 358,890	312,075	186,152	1,929	950,599	1,138,680	(983)	100	(883)	1,808,762

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**EXCELLIANCE MOS CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 718,222	778,002
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	16,814	15,196
Amortization expense	3,136	5,595
Net loss (gain) on financial assets or liabilities at fair value through loss or (profit)	36,160	(8,042)
Interest expense	176	216
Interest income	(19,903)	(4,498)
Dividend income	(4,672)	(1,344)
Share-based payment transactions	-	1,657
Others	(6,651)	3,652
Total adjustments to reconcile profit (loss)	25,060	12,432
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable	200,097	(90,151)
Increase in inventories	(457,355)	(77,860)
Decrease (increase) in other financial assets	105	(52)
Increase in other current assets	(14,149)	(3,387)
Decrease (increase) in other non-current assets	34,921	(127,726)
	(236,381)	(299,176)
Changes in operating liabilities:		
Increase (decrease) in accounts payable	(119,355)	31,210
Increase in other payable and other current liabilities	80,769	186,331
	(38,586)	217,541
Total changes in operating assets and liabilities	(274,967)	(81,635)
Total adjustments	(249,907)	(69,203)
Cash inflow generated from operations	468,315	708,799
Interest received	18,757	5,651
Dividends received	4,672	1,344
Interest paid	(176)	(216)
Income taxes paid	(60,463)	(19,317)
Net cash flows from operating activities	431,105	696,261
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(4,350)
Acquisition of financial assets at amortized cost	(49,715)	-
Acquisition of financial assets at fair value through profit or loss	-	(68,118)
Acquisition of property, plant and equipment	(18,313)	(10,668)
Decrease in refundable deposits	1,971	15,995
Acquisition of intangible assets	(879)	(2,200)
Increase in other financial assets	35,515	(328,570)
Net cash flows used in investing activities	(31,421)	(397,911)
<b>Cash flows from (used in) financing activities:</b>		
Repayments of long-term borrowings	(120)	(119)
Payment of lease liabilities	(9,846)	(9,143)
Cash dividends paid	(415,346)	(230,473)
Proceeds from exercise of employee stock options	7,924	19,193
Net cash flows used in financing activities	(417,388)	(220,542)
Effect of exchange rate changes on cash and cash equivalents	947	(152)
Net (decrease) increase in cash and cash equivalents	(16,757)	77,656
Cash and cash equivalents at beginning of period	242,155	164,499
Cash and cash equivalents at end of period	\$ 225,398	242,155

## **【 Attachment 5】**

### **Independent Auditors' Report**

To the Board of Directors of Excelliance MOS Corporation:

#### **Opinion**

We have audited the financial statements of Excelliance MOS Corporation("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended December 31, 2022 and 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

##### **1. Inventory valuation**

Please refer to note 4(g) for accounting policy related to valuation of inventory; note 5 for uncertainty of inventory estimates and assumption; and note 6(f) for information regarding inventory and related expenses.

Description of key audit matter:

The Company is engaged in the research and development, design, manufacture and sales of key components for high efficiency power systems. With the rapid development of technology, end products and application impact the market demand which may lead to risks, wherein the costs of inventories may exceed its net realizable values. Besides, the sales situation has an influence on valuation and should be followed up. In addition, inventories are important assets in the financial statements. Therefore, the valuation of inventories is identified as one of the key audit matters in our audit procedures.

#### Audit procedures:

Our principal audit procedures included: assessing the allowance for inventory valuation and obsolescence losses to determine whether the policies of the Company and the accounting policies are applied accordingly, as well as performing sampling process to inspect the aging inventory statement and analyzing the change in aging inventory. Also, we reviewed the management meeting minutes for the items of individual identification as inventory obsolescence and their allowance in order to verify their appropriateness.

## 2. Revenue recognition

Please refer to note 4(m) for accounting policy related to revenue from contracts with customers; and note 6(r) for information regarding revenue recognition.

#### Description of key audit matter:

The Company is engaged in the research and development, design, manufacture and sales of key components for high efficiency power systems. The sales revenue is a key matter in the financial statements, and the amount and change of sales revenue may affect the understanding of the users of the financial report. Therefore, revenue recognition is identified as one of the key audit matters in our audit procedures.

#### Audit Procedures:

Our principal audit procedures included: testing the related controls surrounding the aforementioned sales and collection cycle; verifying and adjusting the information between sales system and general ledger, as well as performing test on details in order to evaluate the accuracy of the timing of the operating revenue recognition and determine whether related accounting policies of the Company are applied appropriately.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.



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

1. Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan-Ying Kuo and I-Wen Wang.

KPMG

Taipei, Taiwan (Republic of China)

February 17, 2023

#### **Notes to Readers**

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**EXCELLIANCE MOS CORPORATION**

**Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 217,929	8	238,830	9	2170	Accounts payable	\$ 170,543	6	289,898	11
1110	Current financial assets at fair value through profit or loss (note (6)(b))	40,000	2	76,160	3	2200	Other payables	430,754	16	349,593	14
1170	Notes receivable and accounts receivable, net (note (6)(e))	251,339	9	451,436	18	2230	Current tax liabilities	318,177	12	239,988	10
1300	Inventories (note (6)(f))	899,193	33	441,838	17	2280	Current lease liabilities (note (6)(l))	6,098	-	9,057	-
1476	Other financial assets-time deposits for more than three months (note (6)(a))	828,363	30	869,623	34	2300	Other current liabilities	4,323	-	4,515	-
1479	Other current assets	28,717	1	12,879	1	2320	Long-term borrowings, current portion (note (6)(k))	120	-	121	-
		2,265,541	83	2,090,766	82			930,015	34	893,172	35
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income((note (6)(c))	4,450	-	4,350	-	2540	Long-term borrowings (note (6)(k))	755	-	874	-
1535	Non-current financial assets at amortized cost((note (6)(d))	101,579	4	45,897	2	2580	Non-current lease liabilities (note (6)(l))	2,610	-	4,806	-
1550	Investments accounted for using equity method (note (6)(g))	17,603	1	7,501	-			3,365	-	5,680	-
1600	Property, plant and equipment (note (6)(h))	172,483	6	157,536	6		Total liabilities	933,380	34	898,852	35
1755	Right-of-use assets (note (6)(i))	8,835	-	13,950	1		Equity: (notes (6)(o) and (6)(p))				
1780	Intangible assets	2,643	-	4,900	-	3100	Ordinary shares	358,890	13	357,587	14
1840	Deferred income tax assets (note (6)(n))	13,608	-	23,439	1	3200	Capital surplus	312,075	11	305,454	12
1900	Other non-current assets	155,400	6	195,912	8	3300	Retained earnings	1,138,680	42	984,287	39
		476,601	17	453,485	18	3400	Other equity interest	(883)	-	(1,929)	-

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**EXCELLIANCE MOS CORPORATION****Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenues, net</b> (note (6)(r))	\$ 2,334,541	100	2,756,828	100
5000	Operating costs (notes (6)(f),(m) and (12)(a))	1,381,654	59	1,607,286	58
5900	<b>Gross profit from operations</b>	952,887	41	1,149,542	42
	<b>Operating expenses:</b> (notes (6)(m) and (12)(a))				
6100	Selling expenses	53,244	2	63,921	2
6200	Administrative expenses	85,266	4	98,861	4
6300	Research and development expenses	178,608	8	207,690	8
		317,118	14	370,472	14
6900	<b>Net operating income</b>	635,769	27	779,070	28
	<b>Non-operating income and expenses:</b>				
7100	Interest income	19,799	1	4,463	-
7010	Other income	6,363	-	3,178	-
7020	Other gains and losses, net (notes (6)(b) and (6)(t))	60,340	3	(4,174)	-
7050	Finance costs (note (6)(l))	(173)	-	(213)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	(3,876)	-	(4,322)	-
		82,453	4	(1,068)	-
7900	<b>Profit before income tax</b>	718,222	31	778,002	28
7950	Less: income tax expenses (note (6)(n))	148,483	6	150,090	5
	<b>Profit</b>	569,739	25	627,912	23
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))	100	-	-	-
	Items that may not be reclassified subsequently to profit or loss	100	-	-	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	946	-	(150)	-
	Items that may be reclassified subsequently to profit or loss	946	-	(150)	-
8300	<b>Other comprehensive income (after tax)</b>	1,046	-	(150)	-
	<b>Comprehensive income</b>	<b>\$ 570,785</b>	<b>25</b>	<b>627,762</b>	<b>23</b>
	<b>Earnings per share</b> (note (6)(q))				
9750	<b>Basic earnings per share</b>	<b>\$ 15.89</b>		<b>17.68</b>	
9810	<b>Diluted earnings per share</b>	<b>\$ 15.67</b>		<b>17.40</b>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**EXCELLIANCE MOS CORPORATION****Statements of Changes in Equity****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriate d retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2021	\$ 354,524	287,667	90,717	1,400	494,731	586,848	(1,779)	-	(1,779)	1,227,260
Profit for the year	-	-	-	-	627,912	627,912	-	-	-	627,912
Other comprehensive income for the year	-	-	-	-	-	-	(150)	-	(150)	(150)
Total comprehensive income for the year	-	-	-	-	627,912	627,912	(150)	-	(150)	627,762
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	32,643	-	(32,643)	-	-	-	-	-
Special reserve	-	-	-	379	(379)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(230,473)	(230,473)	-	-	-	(230,473)
Share-based payment transactions	3,063	17,787	-	-	-	-	-	-	-	20,850
Balance at December 31, 2021	357,587	305,454	123,360	1,779	859,148	984,287	(1,929)	-	(1,929)	1,645,399
Profit for the year	-	-	-	-	569,739	569,739	-	-	-	569,739
Other comprehensive income for the year	-	-	-	-	-	-	946	100	1,046	1,046
Total comprehensive income for the year	-	-	-	-	569,739	569,739	946	100	1,046	570,785
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	62,792	-	(62,792)	-	-	-	-	-
Special reserve	-	-	-	150	(150)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(415,346)	(415,346)	-	-	-	(415,346)
Share-based payment transactions	1,303	6,621	-	-	-	-	-	-	-	7,924
Balance at December 31, 2022	\$ 358,890	312,075	186,152	1,929	950,599	1,138,680	(983)	100	(883)	1,808,762

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**EXCELLIANCE MOS CORPORATION****Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 718,222	778,002
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	16,505	14,819
Amortization expense	3,136	5,595
Net loss (profit) on financial assets or liabilities at fair value through loss or (profit)	36,160	(8,042)
Interest expense	173	213
Interest income	(19,799)	(4,463)
Dividend income	(4,672)	(1,344)
Share-based payment transactions	-	1,657
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	3,876	4,322
Others	(6,651)	3,652
<b>Total adjustments to reconcile profit (loss)</b>	<u>28,728</u>	<u>16,409</u>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable	200,097	(90,151)
Increase in inventories	(457,355)	(77,860)
Decrease (increase) in other financial assets	105	(52)
Increase in other current assets	(14,136)	(3,422)
Decrease (increase) in other non-current assets	34,921	(127,726)
	<u>(236,368)</u>	<u>(299,211)</u>
Changes in operating liabilities:		
Increase (decrease) in accounts payable	(119,355)	31,210
Increase in other payable and other current liabilities	80,969	186,199
	<u>(38,386)</u>	<u>217,409</u>
<b>Total changes in operating assets and liabilities</b>	<u>(274,754)</u>	<u>(81,802)</u>
<b>Total adjustments</b>	<u>(246,026)</u>	<u>(65,393)</u>
Cash inflow generated from operations	472,196	712,609
Interest received	18,653	5,616
Dividends received	4,672	1,344
Interest paid	(173)	(213)
Income taxes paid	(60,463)	(19,317)
<b>Net cash flows from operating activities</b>	<u>434,885</u>	<u>700,039</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(4,350)
Acquisition of financial assets at amortized cost	(49,715)	-
Acquisition of financial assets at fair value through profit or loss	-	(68,118)
Acquisition of investments accounted for using equity method	(13,032)	-
Acquisition of property, plant and equipment	(18,313)	(10,668)
Decrease in refundable deposits	1,972	15,995
Acquisition of intangible assets	(879)	(2,200)
Decrease (increase) in other financial assets	41,260	(324,212)
<b>Net cash flows used in investing activities</b>	<u>(38,707)</u>	<u>(393,553)</u>
<b>Cash flows from (used in) financing activities:</b>		
Repayments of long-term borrowings	(120)	(119)
Payment of lease liabilities	(9,537)	(8,763)
Cash dividends paid	(415,346)	(230,473)
Proceeds from exercise of employee stock options	7,924	19,193
<b>Net cash flows used in financing activities</b>	<u>(417,079)</u>	<u>(220,162)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(20,901)</u>	<u>86,324</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>238,830</u>	<u>152,506</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 217,929</u></u>	<u><u>238,830</u></u>

## 【 Attachment 6】

**Excelliance MOS Corporation****2022 Profit Distribution****Unit : NTD**

item		Amount	Remark
Undistributed surplus at beginning of period(IFRS)		380,859,198	
Plus :			
Current net profit after tax	569,739,087		
Reverse of special reserve	946,214		
subtotal		951,544,499	
Minus :			
Legal reserve			
Deduction of Equity Special reserve(Note 1)	56,973,909		
Available surplus		894,570,590	
Surplus distribution items:			
Shareholder dividends-(Cash dividends per share NT\$ 8.4)	427,304,315		@8.39679448 ( Note 2 )
Undistributed surplus at end of period		467,266,275	

Note 1 : In accordance with Article 41 of the Securities and Exchange Act, adjust the "other equity items" under the company's 2022 accounting for other shareholders' equity, and reverse the special surplus reserve of NT\$946,214.

Note 2 : According to the company's dividend calculation method, 75% of the after-tax profit in 2022 will be distributed, and the total shareholder dividend will be NT\$427,304,315. As of 2023/4/30, the number of equivalent issued shares is 50,888,981 shares , calculating the allotment of NT\$8.39679448 per share.

Chairman of the Board

Managerial Officer

Finance and Accounting Supervisor

**LI,CHI-LUUNG****WU, CHIA-LIEN****CHEN, CHIENG-HENG**

**【Attachment 7】**

**Excelliance Mos Corporation  
Non-Compete Status of the directors**

Title	Name	Concurrently hold positions in other companies
Director	ASUSTeK Computer Inc.	Director and supervisor of ASUS METAVERSE INC. Director of SHINYOPTICS CORP. Director of ASUS LIFE CORP. Director of ASUSTOR Inc. Director of DEEP01 LIMITED
Director	LIU, BOR-WEN	Director of Hycon Technology Corp
Director ( Candidates)	<u>WU,CHIA-LIEN</u>	Chairman of Excelliance Investment Corporation Responsible Person of Lianli Investment Co., Ltd. Supervisor of Singular Wings Medical Co., Ltd.
Director ( Candidates)	Actron Technology Corporation	Director of Ding-Wei Technology co., ltd. Director of Actron Technology (Qing Dao) Corporation Director of REC TECHNOLOGY CORPORATION Director of Hong-Wang Investment Company Director of BIGBEST SOLUTIONS, INC Director of MOSEL VITELIC INC. Director of PHOENIX PIONEER TECHNOLOGY CO., LTD. Director of SUPER ENERGY MATERIALS INC.) Director of ANJET Corporation
Independent Director	CHEN, YA-CHEN	Chairman of Diamond Consulting Co., Ltd.
Independent Director	LEE, CHIH-HAO	Independent Director of ONYX HEALTHCARE INC



## Appendix

### 【Appendix 1】

#### Articles Of Incorporation Of Excelliance MOS Corporation

##### Section I - General Provisions

**Article 1 :** The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 杰力科技股份有限公司 in the Chinese language, and Excelliance MOS Corporation in the English language.

**Article 2 :** The scope of business of the Company shall be as follows:

01.CC01080 Electronics Components Manufacturing.

02.F113020 Wholesale of Electrical Appliances.

03.F118010 Wholesale of Computer Software.

04.F119010 Wholesale of Electronic Materials.

05.F213010 Retail Sale of Electrical Appliances.

06.F219010 Retail Sale of Electronic Materials.

07. F401010 International Trade.

08. I301010 Information Software Services.

09. I501010 Product Designing.

10. I599990 Other Designing.

11. IZ99990 Other Industrial and Commercial Services.

12.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

**Article 3 :** The Company shall have its head office established in Hsinchu County, and shall, upon the resolutions of the Board of Directors and approval of competent authorities, be free to set up representative and branch offices at various locations."

**Article 4 :** The company's announcement regulations shall be handled in accordance with Article 28 of the Company Act.

**Article 4-1 :** The Company may provide public endorsement and guarantee in accordance with the Company's endorsement Regulations."

##### Section II - Capital Stock

**Article 5 :** The total capital stock of the Company shall be in the amount of 800,000,000 New Taiwan Dollars, divided into 80,000,000 shares , at par value of ten New Taiwan Dollars each , of which in the amount of 80,000,000 New Taiwan Dollars, divided into 8,000,000 shares , at par value of ten New Taiwan Dollars each , should be reserved for issuance of employee share subscription warrants , The Company may by a resolution adopted by the Board of Directors, and issues the total authorized number of shares in installments."

**Article 5-1 :** To transfer shares to employee at the price less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares."

" Where the Company issues employee stock warrants, if the exercise price is lower than the closing price for the Company's common shares, the Company is required to obtain the consent of at least two-thirds of the voting rights multiple issues over a period of 1 year from the date of the shareholders

resolution.

represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. The Company is allowed to register "

**Article 6 :** The share certificates of the Company shall all be name-bearing share certificates. The Company may issue shares without printing share certificate(s), but shall make the share registration with the Taiwan Depository & Clearing Corp."

**Article 7 :** Alteration of entries in the shareholders' roster shall be suspended within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits."

### **Section III – Shareholders' Meeting**

**Article 8 :** Shareholders' meetings of the Company are of the following two types ◦ General meeting – shall be convened by the Board of Directors within six months of the end of a fiscal year; and Special meeting – shall be convened by the Board of Directors whenever necessary.

The company whose shareholders shall adopt the electronic transmission as one of the methods for exercising the voting power in a shareholders' meeting after listing (counter) shall describe in the shareholders' meeting notice the method of exercising their voting power.

" A shareholder who exercises his/her/its voting power at a shareholders meeting by way of electronic transmission as set forth in the preceding Paragraph shall be deemed to have attended the said shareholders' meeting in person, electronic voting shall be conducted in accordance with the relevant laws and regulations."

The convening of the shareholders' meeting shall be handled in accordance with the provisions of Article 172 of the Company Act.

Shareholders' meetings to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement.

**Article 8-1 :** A company may explicitly provide shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

**Article 9 :** If a shareholder is unable to attend the Shareholders' meeting, he/she may appoint a proxy to attend the meeting by presenting a proxy document issued by the Company with clear statement of the scope of the proxy."

**Article 10 :** A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179 of the Company Act.

**Article 11 :** Unless otherwise provided in the Company Act, the resolutions at a shareholders' meeting shall be

adopted by the majority of the shareholders present to the shareholders' meeting, while total shareholders attending to the Meeting have more than 50% of total outstanding shares issued."

**Article 12 :** If the company wants to cancel the public offering, it shall do so in accordance with the relevant provisions of Article 156 of the Company Law.

### **Section IV – Directors and Audit Committee**

**Article 13:** The number of Directors of the Company shall be between five (5) to eleven (11), and the Board of

Directors is authorized to determine the seats of directors. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates, and the term of office for Directors is three (3) years and the directors are eligible for re-election. "

In accordance with the provisions of Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than two in the number of directors of the company mentioned in the preceding paragraph. The professional qualifications, shareholding, part-time restrictions, independence recognition, nomination and selection methods of independent directors and other matters to be complied with shall be in accordance with the Company act and the relevant regulations of the securities regulatory authority.

"The Audit Committee established by the Company in accordance with Article 14-4 of the Securities and Exchange Act, the audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

For a company that has established an audit committee, the provisions regarding supervisors in this Act, the Company Act, and other laws and regulations shall apply mutatis mutandis to the audit committee."

"The Company may purchase insurance for its directors to protect them against potential liabilities arising from their exercise of director or officer duties.

The aforesaid Board of Directors shall consist of at least three independent directors."

**Article 14:** The Board comprises directors. The chairperson of the Board shall be elected from among the directors with a consent of a majority of the directors present at a meeting attended by more than two thirds of the directors. The chairperson of the Board shall be the representative of the Corporation. The managing directors shall regularly exercise the power and authority of the board of directors in accordance with the provisions of laws and regulations and the Articles of Incorporations of the company, and the resolutions adopted by the shareholders' meetings and the meetings of the board of directors by conferences to be carried out in all matters of the Company.

**Article 15:** In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his duty and authority for any reason, its agency shall be handled in accordance with Article 208 of the Company Law. In case a Director is unable to attend a board meeting, In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy. Its agency shall be handled in accordance with Article 205 of the Company Law. It is not allowed for a director to act as a proxy for more than one director.

**Article 16:** Directors of the Company shall be entitled to remuneration for their duties regardless of profit or loss. The Board of Directors is authorized to determine the remuneration within the standards for maximum salaries established in the Company's Remuneration Policy based on the level of their participation in the Company's operations and the value of their contribution.

In addition, the distribution of directors' remuneration shall be stipulated in Article 20 of the Articles of Incorporation.

**Article 17:** The reasons for calling a board of directors meeting of the company shall be notified in writing, fax, e-mail etc. to each director at least seven days in advance. In case of emergency, they can be called at any time.

## **Section V - Managers**

**Article 18:** The Company may have several managers, whose appointment, dismissal, and remuneration shall

be made subject to the provisions in Article 29 of the Company Act.

## **Section VI - Accounting**

**Article 19:** At the end of each fiscal year, the Board of Directors shall have Business report, Financial statements and Proposal for allocation of earning or making up loss prepared, and submit the same for the Audit Committee for verification And approval at the shareholder's meeting.

**Article 20 :** If the Company's annual final accounts have a net profit for the period, 6% to 20% remuneration shall be allocated to employees, and no more than 3% to directors. However, when the Company still has accumulated losses, it shall reserve to cover the losses in advance.

The company assigns employees' compensation, issues new shares with restricted stock for employees, and issues stock options to employees, issues new shares and buys shares. Qualification requirements of employees, including the employees of parents or subsidiaries of the company by the board of directors.

**Article 21 :** If there is profit in the Company's annual final accounts, it should first pay taxes, make up for previous losses, and set aside 10% of the statutory profit reserve, but this is not the case when the reserve has reached the Company's paid-in capital. According to laws and regulations, the special profit reserve shall be listed and converted; if there is still profit and is not distributed at the beginning of the same period, the Board of Directors shall draft a profit distribution plan and submit it to the shareholders meeting for resolution and distribution.

The company may explicitly stipulate in the Articles of Incorporation to authorize the distributable dividends and bonuses or the legal reserve and the capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The industry the Company is in the growth period. The dividend distribution policy is based on the Company's current and future investment environment, capital needs, domestic and foreign competition, capital budgets, and other factors, considering account shareholders' interests, balancing dividends, and the Company's long-term financial planning, etc. Every year, the Board of Directors drafts a distribution plan under the law and submits it to the shareholders' meeting. In principle, the proportion of cash dividends paid each year shall not be less than 10% of the sum of cash and stock dividends issued in the current year. However, the actual distribution ratio is subject to the resolution of the Board of Directors.

## **Section VII- Supplementary Provisions**

Article 22 : For matters not provided herein, provisions in the Company Act shall govern.

Article 23 : The Articles of Incorporation hereof were established on Feb. 21, 2008

First amended on Mar.5,2008;

Second amended on Jun.5,2009;

Third amended on Mar.10,2010;

Fourth amended on June.10,2011;

Fifth amended on June.15,2012;

Sixth amended on Mar.22,2013;

Seventh amended on June.30,2016;

Eighth amended on June.13,2017;

Ninth amended on June.6,2019;

Tenth amended on May 28,2020;

Eleventh amended on May.26,2022;

## 【Appendix 2】

### Excelliance MOS Corporation

#### Procedures for Election of Directors

##### Article 1

To ensure a just, fair, and open election of directors, elections of directors shall be conducted in accordance with these Procedures.

##### Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures

##### Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

Basic requirements and values: Gender, age, nationality, and culture.

Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

##### Article 4

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

The qualifications for the independent directors of this Corporation shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

##### Article 5

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

#### **Article 6**

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

#### **Article 7**

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

#### **Article 8**

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

#### **Article 9**

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

#### **Article 10**

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted

#### **Article 11**

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

**Article 12**

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

## 【Appendix 3】

### Excelliance MOS Corporation

#### Rules of Procedure for Shareholders Meetings

##### Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

##### Article 2

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

##### Article 3

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

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

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

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

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



platform.

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

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

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

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

#### **Article 4**

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

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

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

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

#### **Article 5**

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

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

#### **Article 6**

(Preparation of documents such as the attendance book)

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

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

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

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

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

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

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

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

#### **Article 6-1**

(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

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

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

#### **Article 7**

(The chair and non-voting participants of a shareholders meeting)

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

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

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

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

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

### **Article 8**

(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

### **Article 9**

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

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

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

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

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

## **Article 10**

(Discussion of proposals)

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

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

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

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

## **Article 11**

(Shareholder speech)

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

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

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

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

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

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

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

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

## **Article 12**

(Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

## **Article 13**

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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

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

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

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

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

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

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

#### **Article 14**

(Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors

and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

### **Article 15**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

### **Article 16**

(Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.



## **Article 17**

(Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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

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

## **Article 18**

(Recess and resumption of a shareholders meeting)

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

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

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

## **Article 19**

(Disclosure of information at virtual meetings)

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

## **Article 20**

(Location of the chair and secretary of virtual-only shareholders meeting)

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

## **Article 21**

(Handling of disconnection)

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

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force

majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

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

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

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

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

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

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

## **Article 22**

(Handling of digital divide)

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

## **Article 23**

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

**【Appendix 4】****Instructions for the handling of shareholder proposals at this ordinary meeting of shareholders:**

Explanatory Notes :

1. Pursuant to Article 172-1 of the Company Law, shareholders holding more than 1% of the total issued shares may submit to the company general meeting proposals, but only one proposal, and the proposed proposal is limited to 300 words.
2. The company's general meeting of shareholders this year accepts applications for shareholder proposals. The period is from March 27, 2023 to April 6, 2023, and has been announced on the public information observation station according to law.
3. The Company has not received any shareholder proposals.

## 【Appendix 5】

### Shareholdings of Directors

1. The total No. of shares issued by the Company: 508,889,810 shares.
2. According to Article 26 of the Securities and Exchange Law, minimum No. of shares required to be held by all directors (not including independent directors) 4,071,118 shares.
3. The shareholding of directors recorded in the register of shareholders as of the closing date of this ordinary meeting of shareholders is as follows:

Book closure date : April 11, 2023 unit: Shares

Position	Name	Number of shares	Shareholding %
Chairman	LI, CHI-LUNG	785,704	1.54%
Director	ASUSTeK Computer Inc Representative : HUANG, YAO-LUN	2,247,888	4.42%
Director	LIU, BOR-WEN	3,386,000	6.65%
Independent Director	LIANG, CHI-YEN	—	—
Independent Director	CHEN, YA-CHEN	—	—
Independent Director	CHAN, YI-JEN	—	—
Independent Director	LEE, CHIH-HAO	—	—
Shareholdings of all directors (not including independent directors)		6,419,592	12.61%