



AP Memory Technology Corporation
Handbook
2024 Annual Shareholders' Meeting
(TRANSLATION)

MEETING DATE: May 27th, 2024

PLACE: No. 88, Zhuangjing 1st Rd., Zhubei City, Hsinchu County 302,
Taiwan R.O.C.
(National Taiwan University Zhubei Campus)

CONVENING METHOD: Hybrid shareholders' meeting

(physical shareholders' meeting with the assistance of video conferencing)

(This English translation is provided for reference only and might not precisely reflect the original language's true meaning and full text.)

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AP Memory Technology Corporation

Procedures for the 2024 Annual Shareholders' Meeting

1. Call the Meeting to Order
2. Open Speech by the Chairman
3. Report Items
4. Proposed Resolutions
5. Discussion Items
6. Extemporaneous Motions
7. Adjournment

AP Memory Technology Corp.

Agenda of the 2024 Annual Shareholders' Meeting

Time: 9:00 a.m. on Monday, May 27, 2024

Place: No. 88, Zhuangjing 1st Rd., Zhubei City, Hsinchu County 302, Taiwan R.O.C.
(National Taiwan University Zhubei Campus)

Convening Method: Hybrid shareholders' meeting (physical shareholders' meeting with the assistance of video conferencing)

e-Meeting Platform: "Shareholder e Service"- "e-Meeting" by Taiwan Depository & Clearing Corporation (<https://stockservices.tdcc.com.tw>)

Procedure:

1. Call the Meeting to Order
2. Open Speech by the Chairman
3. Report Items
 - A. To report the business of 2023
 - B. The 2023 Audit Committee's Review Report
 - C. To report 2023 employees' profit sharing bonus and directors' compensation
 - D. To report 2023 earnings distribution
4. Proposed Resolutions
 - A. To accept the 2023 Business Report and Financial Statements
 - B. To accept the proposal for distribution of 2023 earnings
5. Discussion Items
 - A. To revise the "Procedures for the Election of the Directors"
 - B. Lifting the prohibition on the Directors and their representatives from participating in the competitive business
6. Extemporary Motions
7. Adjournment

Report Items

Item 1: To report the business of 2023

Explanatory Notes: Please refer to Page 7-10 (Attachment 1).

Item 2: The 2023 Audit Committee's Review Report

Explanatory Notes: Please refer to page 32 (Attachment 3).

Item 3: To report 2023 employees' profit sharing bonus and directors' compensation

Explanatory Notes:

- A. In accordance with the Company's Articles of Incorporation, the Company is required to provide employees' compensation at a rate of not less than 1% of the current year's pre-tax benefits before deducting the distribution of employees' profit sharing bonus and directors' compensation. Taking into consideration of the Company's capital structure, shareholders' equity, and the provisions of the Articles of Incorporation, the Company proposes to distribute employees' profit sharing bonus amounting to NT\$36,056,640 out of the fiscal year 2023 earnings, and the entire amount is to be paid out in cash. The appropriation ratio is 2.17% of the aforementioned pre-tax benefit, which is in compliance with the Articles of Incorporation.
- B. As stipulated in the preceding paragraph, the appropriation of directors' compensation should not be higher than 3% of the current year's pre-tax income before deducting the distribution of employees' profit sharing bonus and directors' compensation. Taking into consideration of the Company's capital structure, shareholders' equity and the Articles of Incorporation, it is proposed to allocate NT\$4,800,000 from the fiscal year 2023 earnings, and the entire amount will be paid in cash, at a ratio of 0.29% of the aforementioned pre-tax benefit, which is in compliance with the Articles of Incorporation.
- C. There is no difference between the above allocation and the estimated amount of expenses recognized.

Item 4: To report 2023 earnings distribution

Explanatory Notes:

2023 earnings distribution adopted at the meeting of the Board of Directors is as follows:

- A. In accordance with Article 21-1 of the Company's Articles of Incorporation, the Board of Directors is hereby authorized to resolve that all or a portion of the dividends and bonuses to be distributed shall be in the form of cash payments and shall be reported to the Shareholders' Meeting.
- B. Cash dividends to common shareholders: Totaling NT\$1,135,107,162. Each common shareholder will be entitled to receive a cash dividend of NT\$7.0 per share that was based on the total number of 162,158,166 shares outstanding as of February 29, 2024. The cash dividends are distributed in proportion to the amount of the dividends up to the nearest dollar, with the amount below the nearest dollar being rounded down, and the total amount of aberrant zeros not yet distributed to the nearest dollar will be treated as other income to the Company.
- C. The Board Chairman is delegated to decide any matters in terms of the change of record date and payout ratio.

Proposed Resolutions

Item 1: To accept the 2023 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. The 2023 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Mr. Chien, Ming-Yen and Ms. Chuang, Pi-Yu of Deloitte & Touche.
- B. The 2023 Business Report, the aforementioned Independent Auditors' Report and the Financial Statements and Audit Committee's Review Report are attached hereto as Page 7-32 (Attachments 1, 2, and 3).

Item 2: To accept the proposal for distribution of 2023 earnings.

(Proposed by the Board of Directors)

Explanatory Notes:

Description	Amount(NTD)	Remarks
Unappropriated retained earnings of previous years	2,075,322,654	
Add:Net Income of 2023	1,444,969,937	
Reversal of Special reserve	106,582	
Less:Legal reserve	(144,496,994)	
Debits in retained earnings from the retirement of treasury stock	<u>(5,673,087)</u>	
Earnings available for distribution	3,370,229,092	
Distribution items:		
Cash Dividend to common shareholders	<u>(1,135,107,162)</u>	NT\$7.0 / per share
Unappropriated retained earnings	<u>2,235,121,930</u>	

Discussion Items

Item 1: To revise the “Procedures for the Election of the Directors”.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. For the regulation compliance and in line with operational requirements , it is proposed to amend the Company's " Procedures for the Election of the Directors".
- B. The comparison table illustrating the original and amended text is attached hereto as Page 33-34 (Attachment 4).

Item 2: Lifting the prohibition on the Directors and their representatives from participating in the competitive business.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. In accordance with Article 209 of the Company Act, a director or its representatives, who does anything for himself or on behalf of another person that is within the scope of the Company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- B. Please refer to page 35 (Attachment 5) for details on directors and their representatives holding concurrent positions in other companies.

Extemporary Motions

Adjournment

Attachment

Attachment 1. Business Report

AP Memory had an exciting year in 2023. The semiconductor industry gradually recovered from the major inventory correction in the 2021-2022 cycle, while the emergence of generative AI created industry-wide excitement. AP Memory's IoT business reflected the gradual recovery. The long-term potential of generative AI is yet to be reflected in AI business. However, our financial performance remained strong, despite of the foreign exchange volatility throughout the year.

On consolidated basis, AP Memory earned NT\$1,445 million (NT\$8.93 per share) in net income in 2023. Compared to 2022 net income of NT\$1,942 million (NT\$12.09 per share), the company's net income and earnings per share decreased by 26%. Revenue decreased from NT\$5.1 billion to NT\$4.2 billion, by 17%, in the same period. Gross margin rate remained relatively stable, at 42% for the full year. Starting from the second half of 2022, we took proactive steps to control our inventory level. The 2023 year-end inventory is valued at NT\$0.9 billion, a 44% decrease from the end of 2022. Our balance sheet further strengthened from the end of 2022. Cash and cash equivalents represent 71% of our total assets. Net shareholder equity slightly increased by 3% from the end of 2022 to NT\$11.3 billion, after a dividend payout of NT\$7 per share in 2023.

	Unit : In Thousands of New Taiwan Dollars			
	2023 (A)	2022(B)	Δ AMT(C=A-B)	Δ %(C/B)
Operating revenue	4,226,907	5,094,775	(867,868)	(17%)
Gross profit margin (%)	42%	44%	(2 ppts)	
Operating expense	902,225	720,874	181,351	25%
Operating expense ratio (%)	22%	15%	7 ppts	
Net operating income	852,781	1,500,520	(647,739)	(43%)
Non-operating income	766,200	948,763	(182,563)	(19%)
Profit before tax	1,618,981	2,449,283	(830,302)	(34%)
Net profit (loss) for the year	1,444,970	1,941,696	(496,726)	(26%)
Net profit margin (%)	34%	38%	(4 ppts)	
EPS(NT\$)	8.93	12.09	(3.16)	(26%)

	Unit : In Thousands of New Taiwan Dollars			
	2023.12.31(D)	2022.12.31(E)	Δ AMT(F=D-E)	Δ %(F/E)
Cash and cash equivalents	8,864,216	8,182,432	681,784	8%
Inventories	851,330	1,528,392	(677,062)	(44%)
Financial assets at FVTPL	1,139,267	256,007	883,260	345%
Other current and non-current assets	1,658,778	1,724,480	(65,702)	(4%)
Total assets	12,513,591	11,691,311	822,280	7%
Total liabilities	1,191,797	740,744	451,053	61%
Capital stock	811,759	808,634	3,125	0%
Other stockholders' equity	10,510,035	10,141,933	368,102	4%
Total equity	11,321,794	10,950,567	371,227	3%

Macro Environment Changes

In the beginning of 2023, the semiconductor industry was in the middle of the most severe correction cycle in recent years. This correction was partially brought about by supply shortages experienced during COVID-19 which triggered panic buying. The subsequent normalization of the supply chain caused a severe rebalancing of supply and demand. This rebalancing has gradually resolved itself in the second half of 2023. The US-China trade war has turned into an increasingly clear segregation of supply chains between China and the rest of the world. The effect of this segregation will ripple through the industry for years to come.

In IoT BU, consistent with industry-wide trends, demand recovered gradually throughout the year; in AI BU, revenue remained low due to the short-term impact of Ethereum consensus mechanism change from Proof-of-Work to Proof-of-Stake. But we remain more optimistic than ever about the longer-term business potential brought about by generative AI.

In the following, explanations will be provided for the two business units:

IoT BU: Growing Market and Growing Competition

Our IoT Business Unit, which supplies cost-effective IoTRAM™ products to IoT market worldwide, finished the year with a 7% decrease in revenue, from NT\$4,281 million in 2022 to NT\$3,969 million in 2023. The decrease is a combined effect of inventory correction and market growth.

Our IoTRAM™ is a family of non-JEDEC standard products, optimized for optimal cost and performance for target applications. Our customers must design in our memory interface in order to use our products. Conversely, customers cannot easily replace our products with competitors' products without significant effort. Due to the customized nature of our products, our product pricing is not significantly correlated with commodity memory. In the current ongoing industry downturn, our gross margin rate has remained relatively stable.

We continue to see increased adoption of our IoTRAM™ product line, especially in China. The growing market has also attracted the attention of other memory suppliers. We expect increased competition in the market in the coming years. However, we are confident that we will continue to lead the market.

AI BU: Short-Term Challenges, Long-Term Potential

AI BU had a revenue of about NT\$258 million, a 68% decrease from \$813 million in 2022. This decrease is mainly from the effect of Ethereum consensus mechanism change, which reduced VHM™ wafer sales to almost zero.

However, the key accomplishment in 2023 is our progress in proof-of-concept (POC) projects for AI and other HPC applications. These projects are demonstrating the true potential of VHM™. The positive results from these POC projects are critical in securing our future design-ins in customer products.

The Large-Language-Model (LLM) generative AI technology emerged at the end of 2022 has blossomed to a major transformative technology. LLM inherently requires large amounts of memory, at very as-high-as-possible bandwidth, and as-low-as-possible power. We are confident VHM™ will secure its pivotal role in the revolution of memory architecture that is required by the adoption of LLM.

New Opportunities

AP Memory not only focuses on the development of the existing IoT BU and AI BU, but also continues to explore development opportunities for core technologies in other application fields. We hope to facilitate our technological capabilities and work with partners for mutually beneficial development in the future.

We are currently promoting IPD (Integrated Passive Devices), the capacitors developed with silicon material (Si-Cap). With the characteristics of silicon, the product can be integrated in 2.5D packaging seamlessly, and the main chip can attain improved power and signal integrity to enhance overall performance. Moreover, to meet the voltage regulation demands under low voltage and high power for High-Performance Computing (HPC), AP Memory is further venturing into the field of power management. We aim to develop an integrated power delivery architecture with high power efficiency and power density.

Therefore, we acquired 9.4% shares of M3 Technology Inc. (6799 TW) for 500 million NTD. Through this investment, we extend our 3D stacking advanced packaging experience and technology into the field of power management applications. The collaboration with M3 Technology in developing HPC power management solutions is a long-term plan. We expect to have mutual benefits on the technological integration, fostering a strong partnership for the innovative development of customized, high-performance, and high-quality optimal solutions.

GDR Fund Update

The \$190M GDR offering that we completed in January 2022 resulted in a 7.9% share dilution. This is a decision we took after careful consideration of our future capital needs and cost of such capital. We believe this capital provides the necessary ammunition for our battle for dominance in the market.

The deployment of this capital has been slower than we originally anticipated, primarily due to geopolitical and market condition changes. We continue to evaluate opportunities for major investments in support of our long-term goals.

Cautious Outlook for 2024 and Long-term Optimism

While 2023 saw a gradual market recovery, 2024 is expected to see the effect of economic slowdown, world-wide inflation, and the persistent segregation of China vs non-China supply chains.

Our large US dollar holdings expose us to large swings of foreign exchange gains and losses. However, we believe the large interest differential between US dollar and NTD is a natural hedge against foreign exchange loss. While we do not intend to engage in financial derivatives to hedge foreign exchange losses, we believe our financial risks in our US dollar holdings are limited. On the other hand, our USD holdings will be an anchor of stability in times of uncertainty.

Despite the short-term moderation in growth, we are more optimistic than ever in our long-term growth prospects. In 2024, we strive to solidify our leadership, and continue to innovate and deliver financial results for our shareholders.

We deeply appreciate the support and encouragement of our shareholders, as well as that of our customers, suppliers, employees, and other ecosystem partners.

AP Memory Technology Corporation

Chairman / Chief Executive Officer	Chen, Wen-Liang
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President	Hung, Chih-Hsun
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Senior Vice President	Liu, Chin-Hung
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Chief Financial Officer	Lin, Yu-Hsin
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Accounting Senior Manager	Hung, Mao-Chuan
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Attachment 2. Independent Auditors' Report and the Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
AP Memory Technology Corporation

Opinion

We have audited the accompanying financial statements of AP Memory Technology Corporation, which comprise the Parent Company Only Statement of Financial Position as of December 31, 2023 and December 31, 2022, the Parent Company Only Statement of Comprehensive Income from January 1 to December 31, 2023 and from January 1 to December 31, 2022, Parent Company Only Statement of Change in Equity, Parent Company Only Statement of Cash Flows, and Notes to Parent Company Only Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the financial position of AP Memory Technology Corporation as of December 2023 and 2022 and of the financial performance, changes in equity and cash flows of AP Memory Technology Corporation from January 1 to December 31, 2023 and 2022.

Basis for Opinion

We were commissioned to conduct our audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the 'Accountant's responsibilities for the audit of the financial statements' section of our report. We are independent of AP Memory Technology Corporation in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matter is which that, in our professional judgment, is most significant to our review of the Parent Company Only Financial Statements of AP Memory Technology Corporation for 2023. Such matter has been considered in the process of examining the parent company only financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the Parent Company Only Financial Statements of AP Memory Technology Corporation for 2023:

Authenticity of Sales Revenue from Specific Customers

In the fiscal year 2023, AP Memory Technology Corporation reported sales revenue amounting to NT\$4,114,977 thousand. The sales revenue from certain customers has shown significant growth compared to the fiscal year 2022, constituting a substantial portion of the total sales revenue. Therefore, the authenticity of the related sales revenue has been identified as one of the key audit matters.

During the audit, our accountants performed the following audit procedures in response to this key audit matter:

1. Understand and evaluate the internal control system related to revenue recognition, and test the design and execution of such controls.
2. Sample confirmation requests were sent for the entire year's sales revenue from the specific customers, and alternative procedures were conducted for those from whom confirmation was not timely received. This includes verifying transaction evidence and subsequent collections.
3. Perform audit sampling on the sales revenue details of the specific customers, review related transaction documents, including customer orders, shipping documents, and receipts, to confirm the authenticity of the revenue recognized.
4. Audit the occurrences of sales returns and allowances after the reporting period and subsequent collections to confirm the reasonableness of the sales revenue recognized.

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

Management's responsibility is to prepare the parent company only financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as maintain necessary internal control related to the preparation of the parent company only financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

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

The responsibilities of the governing body (including the audit committee) include overseeing the financial reporting process of AP Memory Technology Corporation.

Auditors' Responsibilities for the Audit of the Parent Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with GAAS 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 in the basis of these parent company only financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls 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 internal control effectiveness of AP Memory Technology Corporation.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
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 ability of AP Memory Technology Corporation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AP Memory Technology Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the relevant notes), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate evidence to audit the financial information of AP Memory Technology Corporation to express an opinion on the Parent Company Only Financial Statements. We are responsible for the guidance, supervision and execution of the audit and for forming an audit opinion on AP Memory Technology Corporation.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiency in internal controls that we identify during our audit).

We have also provided the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Professional Accountants with respect to independence and communicate with the governing body about all relationships and other matters (including related protective measures) that may be considered to affect the accountant's independence.

We have determined the key audit matter for the audit of the Parent Company Only Financial Statements of AP Memory Technology Corporation for the year ended December 31, 2023 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 1, 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

AP Memory Technology Corporation
Parent Company Only Balance Sheets

For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

Assets	Dec. 31, 2023		Dec. 31, 2022	
	Amount	%	Amount	%
Current assets				
Cash and cash equivalents (Notes 4 and 6)	\$ 8,627,464	69	\$ 8,003,529	69
Financial assets measured at amortized cost - current (Notes 4, 8 and 28)	2,819	-	2,782	-
Accounts receivable (Notes 4, 9 and 20)	463,349	4	500,338	4
Accounts receivable - related parties (Notes 4, 9, 20 and 27)	199,356	2	120,782	1
Current income tax assets	-	-	80	-
Other receivables (Notes 4 and 9)	47,800	-	31,879	-
Inventories (Notes 4 and 10)	851,095	7	1,528,127	13
Other current assets (Note 15)	51,493	-	47,832	1
Total current assets	<u>10,243,376</u>	<u>82</u>	<u>10,235,349</u>	<u>88</u>
Non-current assets				
Financial assets measured at FVTPL - non-current (Notes 4, 5, 7 and 26)	1,139,267	9	256,007	2
Investments accounted for using the equity method (Notes 4 and 11)	269,707	2	340,929	3
Property, plant and equipment (Notes 4 and 12)	75,078	1	79,251	1
Right-of-use assets (Notes 4 and 13)	48,758	-	71,799	1
Other intangible assets (Notes 4 and 14)	62,559	1	4,106	-
Deferred income tax assets (Notes 4 and 22)	58,489	-	31,163	-
Refundable deposits (Note 29)	458,981	4	464,027	4
Other non-current assets (Note 15)	126,225	1	173,802	1
Total non-current assets	<u>2,239,064</u>	<u>18</u>	<u>1,421,084</u>	<u>12</u>
Total assets	<u>\$ 12,482,440</u>	<u>100</u>	<u>\$ 11,656,433</u>	<u>100</u>
Liabilities and Equity				
Current liabilities				
Short-term loans (Note 16)	\$ 300,000	2	\$ -	-
Contract liabilities (Notes 4 and 20)	58,381	1	22,981	-
Accounts payable	255,186	2	149,961	1
Other payables (Note 17)	149,334	1	104,047	1
Other payables - related parties (Note 27)	24,073	-	15,830	-
Income tax payable	238,365	2	295,101	3
Lease liabilities - current (Note 4 and 13)	22,497	-	50,771	-
Other current liabilities (Note 17)	9,292	-	2,389	-
Total current liabilities	<u>1,057,128</u>	<u>8</u>	<u>641,080</u>	<u>5</u>
Non-current liabilities				
Deferred income tax payable (Note 4 and 22)	77,578	1	45,132	1
Lease liabilities - non-current (Notes 4 and 13)	9,940	-	5,654	-
Deposits received	16,000	-	14,000	-
Total non-current liabilities	<u>103,518</u>	<u>1</u>	<u>64,786</u>	<u>1</u>
Total liabilities	<u>1,160,646</u>	<u>9</u>	<u>705,866</u>	<u>6</u>
Equity (Notes 4, 19 and 24)				
Share capital				
Share capital of common stock	810,020	7	807,786	7
Share capital collected in advance	1,739	-	848	-
Total share capital	<u>811,759</u>	<u>7</u>	<u>808,634</u>	<u>7</u>
Capital surplus	6,234,430	50	6,178,947	53
Retained earnings				
Legal reserve	760,879	6	566,709	5
Special reserve	450	-	-	-
Undistributed earnings	3,514,619	28	3,396,727	29
Total retained earnings	<u>4,275,948</u>	<u>34</u>	<u>3,963,436</u>	<u>34</u>
Other equity	(343)	-	(450)	-
Total equity	<u>11,321,794</u>	<u>91</u>	<u>10,950,567</u>	<u>94</u>
Total liabilities and equity	<u>\$ 12,482,440</u>	<u>100</u>	<u>\$ 11,656,433</u>	<u>100</u>

AP Memory Technology Corporation
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars, except earnings (losses) per share)

	2023		2022	
	Amount	%	Amount	%
Revenue (Notes 4, 20 and 27)	\$ 4,114,977	100	\$ 4,971,181	100
Cost of revenue (Notes 10 and 21)	<u>2,469,596</u>	<u>60</u>	<u>2,863,822</u>	<u>58</u>
Gross profit	<u>1,645,381</u>	<u>40</u>	<u>2,107,359</u>	<u>42</u>
Operating expenses (Notes 4, 9, 21 and 27)				
Marketing	93,916	2	101,292	2
General and administrative	146,814	4	116,928	2
R&D expenses	482,507	12	392,505	8
Expected credit losses (gain on reversal)	<u>9,208</u>	<u>-</u>	<u>(638)</u>	<u>-</u>
Total operating expenses	<u>732,445</u>	<u>18</u>	<u>610,087</u>	<u>12</u>
Income from operations	<u>912,936</u>	<u>22</u>	<u>1,497,272</u>	<u>30</u>
Non-operating income and expense				
Other income (Notes 4 and 21)	1,669	-	1,769	-
Shares of the profit or loss of subsidiaries and associates recognized for using the equity method (Notes 4 and 11)	<u>(62,998)</u>	<u>(1)</u>	19,243	1
Interest income (Note 4)	365,494	9	104,889	2
Gain from disposal of property, plant and equipment (Note 4)	-	-	54	-
Gain from disposal of investments (Notes 4 and 19)	-	-	13,443	-

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	2023		2022	
	Amount	%	Amount	%
Gain on foreign exchange - net value (Notes 4, 21 and 30)	\$ 13,717	-	\$ 700,965	14
Gain on financial assets measured at FVTPL (Notes 4 and 26)	388,140	9	114,018	2
Interest expenses (Note 4)	(1,531)	-	(1,341)	-
Total non-operating income and expenses	<u>704,491</u>	<u>17</u>	<u>953,040</u>	<u>19</u>
Net income before tax	1,617,427	39	2,450,312	49
Income tax expense (Notes 4 and 22)	(172,457)	(4)	(508,616)	(10)
Net income	<u>1,444,970</u>	<u>35</u>	<u>1,941,696</u>	<u>39</u>
Other comprehensive income (Notes 4 and 19)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	<u>107</u>	-	<u>4,265</u>	-
Other comprehensive income (net of income tax)	<u>107</u>	-	<u>4,265</u>	-
Total comprehensive income	<u>\$ 1,445,077</u>	<u>35</u>	<u>\$ 1,945,961</u>	<u>39</u>
Earnings per share (Note 23)				
Basic earnings per share	<u>\$ 8.93</u>		<u>\$ 12.09</u>	
Diluted earnings per share	<u>\$ 8.85</u>		<u>\$ 11.96</u>	

AP Memory Technology Corporation
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

	Share Capital (Notes 4, 19 and 24)			Capital Surplus	Retained Earnings (Notes 4 and 19)				Other Equity (Note 4 and 19)	Treasury stock (Notes 4 and 19)	Total Equity
	Capital Stock - Common Stock	Share Capital Collected in Advance	Total Share Capital	(Notes 4, 19 and 24)	Legal Reserve	Special Reserve	Undistributed Earnings	Total	Exchange differences arising on translation of foreign operations		
Balance, Jan. 1, 2022	\$ 744,136	\$ 2,861	\$ 746,997	\$ 1,054,788	\$ 364,163	\$ -	\$ 2,631,525	\$ 2,995,688	\$ 8,728	(\$ 11,246)	\$ 4,794,955
Appropriation and distribution of earnings, 2021											
Recognition of legal reserve	-	-	-	-	202,546	-	(202,546)	-	-	-	-
Cash dividends for the company's shareholders	-	-	-	-	-	-	(968,275)	(968,275)	-	-	(968,275)
Cost for recognizing stock options as compensation	-	-	-	26,099	-	-	-	-	-	-	26,099
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	-	(13,443)	-	(13,443)
Capital increase by cash	64,000	-	64,000	5,087,283	-	-	-	-	-	-	5,151,283
Write-down of treasury stock	(2,580)	-	(2,580)	(2,993)	-	-	(5,673)	(5,673)	-	11,246	-
Net income, 2022	-	-	-	-	-	-	1,941,696	1,941,696	-	-	1,941,696
Other comprehensive income, net of income tax, 2022	-	-	-	-	-	-	-	-	4,265	-	4,265
Total comprehensive income, 2022	-	-	-	-	-	-	1,941,696	1,941,696	4,265	-	1,945,961
Common shares issued under the employee stock option plan	2,230	(2,013)	217	13,770	-	-	-	-	-	-	13,987
Balance, Dec. 31, 2022	807,786	848	808,634	6,178,947	566,709	-	3,396,727	3,963,436	(450)	-	10,950,567
Appropriation and distribution of earnings, 2022											
Recognition of legal reserve	-	-	-	-	194,170	-	(194,170)	-	-	-	-
Recognition as special reserve	-	-	-	-	-	450	(450)	-	-	-	-
Cash dividends for the company's shareholders	-	-	-	-	-	-	(1,132,458)	(1,132,458)	-	-	(1,132,458)
Changes in the associates and ventures recognized for using the equity method	-	-	-	688	-	-	-	-	-	-	688
Cost for recognizing stock options as compensation	-	-	-	31,554	-	-	-	-	-	-	31,554
Net income, 2023	-	-	-	-	-	-	1,444,970	1,444,970	-	-	1,444,970
Other comprehensive income, net of income tax, 2023	-	-	-	-	-	-	-	-	107	-	107
Total comprehensive income, 2023	-	-	-	-	-	-	1,444,970	1,444,970	107	-	1,445,077
Common shares issued under the employee stock option plan	2,234	891	3,125	23,241	-	-	-	-	-	-	26,366
Balance, Dec. 31, 2023	\$ 810,020	\$ 1,739	\$ 811,759	\$ 6,234,430	\$ 760,879	\$ 450	\$ 3,514,619	\$ 4,275,948	(\$ 343)	\$ -	\$ 11,321,794

AP Memory Technology Corporation
Parent Company Only Statements of Cash Flows

For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flow from operating activities		
Net income before tax	\$ 1,617,427	\$ 2,450,312
Adjustments		
Depreciation expense	58,527	53,997
Amortization expense	4,513	2,791
Expected credit losses (gain on reversal)	9,208	(638)
Gain on valuation of financial assets measured at FVTPL	(388,628)	(114,018)
Interest expenses	1,531	1,341
Interest income	(365,494)	(104,889)
Dividend income	(51)	(322)
Cost of share-based payment awards	29,413	20,179
Share of gain or loss from subsidiaries and associates recognized for using the equity method	62,998	(19,243)
Loss (gain) on disposal or retirement of property, plant and equipment	-	494
Gain from disposal of investments	-	(13,443)
Losses on market price decline and obsolete and slow-moving inventories	61,623	25,604
Unrealized gain on foreign exchange	12,807	(2,451)
Net changes in operating assets and liabilities		
Accounts receivable	(71,228)	235,356
Other receivables	453	19,293
Inventories	615,409	142,671
Other current assets	(16,884)	(8,741)
Refundable deposits	5,046	582
Contract liabilities	35,400	(149,589)
Accounts payable	111,845	(452,124)
Other payables	53,993	(48,098)
Other current liabilities	<u>6,903</u>	<u>(1,003)</u>
Cash generated from operations	1,844,811	2,038,061
Interest received	349,116	93,227
Dividends received	51	322

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	<u>2023</u>	<u>2022</u>
Interest paid	(\$ 1,294)	(\$ 1,341)
Income tax paid	(<u>223,990</u>)	(<u>580,544</u>)
Net cash generated by operating activities	<u>1,968,694</u>	<u>1,549,725</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	(494,632)	-
Acquisition of long-term equity investments accounted for using the equity method	-	(70,911)
Cash inflow from the disposal of subsidiaries	-	76,239
Purchase of property, plant and equipment	(9,799)	(24,302)
Acquisition of intangible assets	(2,166)	(799)
Dividends received from associates and subsidiaries	<u>11,160</u>	<u>11,160</u>
Net cash used in investing activities	(<u>495,437</u>)	(<u>8,613</u>)
Cash flows from financing activities		
Increase in short-term loans	300,000	-
Increase in deposits received	2,000	-
Repayment of lease principal	(45,246)	(38,410)
Issuance of cash dividends	(1,132,442)	(968,275)
Capital increase by cash	-	5,151,283
Stock options exercised by employees	<u>26,366</u>	<u>13,987</u>
Net cash used in financing activities	(<u>849,322</u>)	<u>4,158,585</u>
Effect of exchange rate changes on cash and cash equivalents	623,935	5,699,697
Net increase in cash and cash equivalents	<u>8,003,529</u>	<u>2,303,832</u>
Cash and cash equivalents, beginning of year	<u>\$ 8,627,464</u>	<u>\$ 8,003,529</u>

Declaration of Consolidation of Financial Statements of Affiliates

We hereby declare that the companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of a parent and its subsidiaries under International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of a parent and its subsidiaries. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Company: AP Memory Technology Corporation

Person in charge: Chen, Wen-liang

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
AP Memory Technology Corporation

Opinion

We have audited the accompanying financial statements of AP Memory Technology Corporation and its subsidiaries, which comprise the Consolidated Statement of Financial Position as of December 31, 2023 and December 31, 2022, the Consolidated Statement of Comprehensive Income from January 1 to December 31, 2023 and from January 1 to December 31, 2022, Consolidated Statement of Change in Equity, Consolidated Statement of Cash Flows, and Notes to Consolidated Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as IFRSs) recognized and announced effectiveness by Financial Supervisory Commission (hereinafter referred to as FSC) so as to give a true and fair view of the consolidated financial position of AP Memory Technology Corporation and its subsidiaries as of December 2023 and 2022 and of the financial performance, changes in equity and cash flows of AP Memory Technology Corporation and its subsidiaries from January 1 to December 31, 2023 and 2022.

Basis for Opinion

We were commissioned to conduct our audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the 'Accountant's responsibilities for the audit of the financial statements' section of our report. We are independent of AP Memory Technology Corporation and its subsidiaries in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matter is which that, in our professional judgment, is most significant to our review of the Consolidated Financial Statements of AP Memory Technology Corporation and its subsidiaries for 2023. Such matter has been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the Consolidated Financial Statements of AP Memory Technology Corporation and its subsidiaries for 2023:

Authenticity of Sales Revenue from Specific Customers

In the fiscal year 2023, AP Memory Technology Corporation and its subsidiaries reported sales revenue amounting to NT\$4,226,907 thousand. The sales revenue from certain customers has shown significant growth compared to the fiscal year 2022, constituting a substantial portion of the total sales revenue. Therefore, the authenticity of the related sales revenue has been identified as one of the key audit matters.

During the audit, our accountants performed the following audit procedures in response to this key audit matter:

1. Understand and evaluate the internal control system related to revenue recognition, and test the design and execution of such controls.
2. Sample confirmation requests were sent for the entire year's sales revenue from the specific customers, and alternative procedures were conducted for those from whom confirmation was not timely received. This includes verifying transaction evidence and subsequent collections.
3. Perform audit sampling on the sales revenue details of the specific customers, review related transaction documents, including customer orders, shipping documents, and receipts, to confirm the authenticity of the revenue recognized.
4. Audit the occurrences of sales returns and allowances after the reporting period and subsequent collections to confirm the reasonableness of the sales revenue recognized.

Others

AP Memory Technology Corporation has prepared parent company only financial statements for the years 2023 and 2022, and the accountant has issued unqualified audit reports for reference.

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

Management's responsibility is to prepare the consolidated financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, International Accounting Standards, Interpretation, and Interpretation Announcement recognized and announced the effectiveness by Financial Supervisory Commission as well as maintain necessary internal control related to the preparation of the consolidated financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

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

The responsibilities of the governing body (including the audit committee) include overseeing the financial reporting process of AP Memory Technology Corporation and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with GAAS 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 in the basis of these consolidated financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls 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 internal control effectiveness of AP Memory Technology Corporation and its subsidiaries.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
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 ability of AP Memory Technology Corporation and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AP Memory Technology Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate evidence to audit the consolidated financial information of AP Memory Technology Corporation and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the guidance, supervision and execution of the audit and for forming an audit opinion on AP Memory Technology Corporation and its subsidiaries.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiency in internal controls that we identify during our audit).

We have also provided the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Professional Accountants with respect to independence and communicate with the governing body about all relationships and other matters (including related protective measures) that may be considered to affect the accountant's independence.

We have determined the key audit matter for the audit of the Consolidated Financial Statements of AP Memory Technology Corporation and its subsidiaries for the year ended December 31, 2023 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 1, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

AP Memory Technology Corporation and Subsidiaries
Consolidated Balance Sheets
For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

Assets	Dec. 31, 2023		Dec. 31, 2022	
	Amount	%	Amount	%
Current assets				
Cash and cash equivalents (Notes 4 and 6)	\$ 8,864,216	71	\$ 8,182,432	70
Financial assets measured at amortized cost - current (Notes 4, 8 and 29)	2,819	-	2,782	-
Accounts receivable (Notes 4, 9 and 21)	567,535	5	638,597	5
Other receivables (Notes 4 and 9)	47,800	-	31,879	-
Current income tax assets (Note 4)	1,144	-	80	-
Inventories (Notes 4 and 10)	851,330	7	1,528,392	13
Other current assets (Note 16)	<u>55,803</u>	-	<u>62,456</u>	1
Total current assets	<u>10,390,647</u>	<u>83</u>	<u>10,446,618</u>	<u>89</u>
Non-current assets				
Financial assets measured at FVTPL - non-current (Notes 4, 5, 7 and 27)	1,139,267	9	256,007	2
Financial assets measured at amortized cost - non-current (Notes 4 and 8)	6,622	-	6,522	-
Investments accounted for using the equity method (Notes 4 and 12)	106,011	1	114,991	1
Property, plant and equipment (Notes 4 and 13)	76,438	1	80,634	1
Right-of-use assets (Notes 4 and 14)	53,091	-	80,018	1
Other intangible assets (Notes 4 and 15)	76,363	1	21,711	-
Deferred income tax assets (Notes 4 and 23)	58,489	-	31,163	-
Refundable deposits (Note 30)	459,525	4	464,452	4
Other non-current assets (Note 16)	<u>147,138</u>	1	<u>189,195</u>	2
Total non-current assets	<u>2,122,944</u>	<u>17</u>	<u>1,244,693</u>	<u>11</u>
Total assets	<u>\$ 12,513,591</u>	<u>100</u>	<u>\$ 11,691,311</u>	<u>100</u>
Liabilities and Equity				
Current liabilities				
Short-term loans (Note 17)	\$ 300,000	2	\$ -	-
Contract liabilities (Notes 4 and 21)	68,828	1	23,043	-
Accounts payable	255,186	2	149,961	1
Other payables (Note 18)	189,766	2	146,564	1
Income tax payable (Note 4)	238,365	2	295,101	3
Lease liabilities - current (Note 4 and 14)	25,917	-	54,559	1
Other current liabilities (Note 18)	<u>10,217</u>	-	<u>3,262</u>	-
Total current liabilities	<u>1,088,279</u>	<u>9</u>	<u>672,490</u>	<u>6</u>
Non-current liabilities				
Deferred income tax liabilities (Note 4 and 23)	77,578	1	45,132	-
Lease liabilities - non-current (Notes 4 and 14)	9,940	-	9,122	-
Deposits received	<u>16,000</u>	-	<u>14,000</u>	-
Total non-current liabilities	<u>103,518</u>	<u>1</u>	<u>68,254</u>	<u>-</u>
Total liabilities	<u>1,191,797</u>	<u>10</u>	<u>740,744</u>	<u>6</u>
Equity (Notes 4, 20 and 25)				
Share capital				
Share capital of common stock	810,020	6	807,786	7
Share capital collected in advance	<u>1,739</u>	-	<u>848</u>	-
Total share capital	<u>811,759</u>	<u>6</u>	<u>808,634</u>	<u>7</u>
Capital surplus	<u>6,234,430</u>	<u>50</u>	<u>6,178,947</u>	<u>53</u>
Retained earnings				
Legal reserve	760,879	6	566,709	5
Special reserve	450	-	-	-
Undistributed earnings	<u>3,514,619</u>	<u>28</u>	<u>3,396,727</u>	<u>29</u>
Total retained earnings	<u>4,275,948</u>	<u>34</u>	<u>3,963,436</u>	<u>34</u>
Other equity	<u>(343)</u>	-	<u>(450)</u>	-
Total equity	<u>11,321,794</u>	<u>90</u>	<u>10,950,567</u>	<u>94</u>
Total liabilities and equity	<u>\$ 12,513,591</u>	<u>100</u>	<u>\$ 11,691,311</u>	<u>100</u>

AP Memory Technology Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars, except earnings (losses) per share)

	2023		2022	
	Amount	%	Amount	%
Revenue (Notes 4, 21 and 28)	\$ 4,226,907	100	\$ 5,094,775	100
Cost of revenue (Notes 10 and 22)	<u>2,471,901</u>	<u>58</u>	<u>2,873,381</u>	<u>56</u>
Gross profit	<u>1,755,006</u>	<u>42</u>	<u>2,221,394</u>	<u>44</u>
Operating expenses (Notes 4, 9 and 22)				
Marketing	124,811	3	126,823	3
General and administrative	164,854	4	132,623	3
R&D expenses	583,627	14	462,066	9
Expected credit losses (gain on reversal)	<u>28,933</u>	<u>1</u>	(<u>638</u>)	<u>-</u>
Total operating expenses	<u>902,225</u>	<u>22</u>	<u>720,874</u>	<u>15</u>
Income from operations	<u>852,781</u>	<u>20</u>	<u>1,500,520</u>	<u>29</u>
Non-operating income and expense				
Other income	3,987	-	9,008	-
Shares of the profit or loss of associates recognized for using the equity method (Notes 4 and 12)	(543)	-	5,964	-
Interest income (Note 4)	367,260	9	106,839	2
Gain from disposal of property, plant and equipment (Note 4)	-	-	54	-
Gain from disposal of investments (Note 4)	-	-	13,443	1
Gain on lease modifications (Note 4)	-	-	25	-
Gain on financial assets measured at FVTPL (Notes 4 and 27)	388,140	9	114,018	2
Interest expenses (Note 4)	(1,744)	-	(1,570)	-
Gain on foreign exchange - net value (Notes 4, 22 and 31)	<u>9,100</u>	<u>-</u>	<u>700,982</u>	<u>14</u>
Total non-operating income and expenses	<u>766,200</u>	<u>18</u>	<u>948,763</u>	<u>19</u>

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	2023		2022	
	Amount	%	Amount	%
Net income before tax	\$ 1,618,981	38	\$ 2,449,283	48
Income tax expense (Notes 4 and 23)	(174,011)	(4)	(507,587)	(10)
Net income	<u>1,444,970</u>	<u>34</u>	<u>1,941,696</u>	<u>38</u>
Other comprehensive income (Notes 4 and 20)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	<u>107</u>	<u>-</u>	<u>4,265</u>	<u>-</u>
Other comprehensive income (net of income tax)	<u>107</u>	<u>-</u>	<u>4,265</u>	<u>-</u>
Total comprehensive income	<u>\$ 1,445,077</u>	<u>34</u>	<u>\$ 1,945,961</u>	<u>38</u>
Earnings per share (Note 24)				
Basic earnings per share	<u>\$ 8.93</u>		<u>\$ 12.09</u>	
Diluted earnings per share	<u>\$ 8.85</u>		<u>\$ 11.96</u>	

AP Memory Technology Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

	Share Capital (Notes 4, 20 and 25)			Capital Surplus (Notes 4, 20 and 25)	Retained Earnings (Notes 4 and 20)			Other Equity (Note 4 and 20)	Exchange differences arising on translation of foreign operations	Treasury stock (Notes 4 and 20)	Total Equity
	Capital Stock - Common Stock	Share Capital Collected in Advance	Total Share Capital		Legal Reserve	Special Reserve	Undistributed Earnings	Total			
Balance, Jan. 1, 2022	\$ 744,136	\$ 2,861	\$ 746,997	\$ 1,054,788	\$ 364,163	\$ -	\$ 2,631,525	\$ 2,995,688	\$ 8,728	(\$ 11,246)	\$ 4,794,955
Appropriation and distribution of earnings, 2021											
Recognition of legal reserve	-	-	-	-	202,546	-	(202,546)	-	-	-	-
Cash dividends for the company's shareholders	-	-	-	-	-	-	(968,275)	(968,275)	-	-	(968,275)
Cost for recognizing stock options as compensation	-	-	-	26,099	-	-	-	-	-	-	26,099
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	-	(13,443)	-	(13,443)
Capital increase by cash	64,000	-	64,000	5,087,283	-	-	-	-	-	-	5,151,283
Write-down of treasury stock	(2,580)	-	(2,580)	(2,993)	-	-	(5,673)	(5,673)	-	11,246	-
Net income, 2022	-	-	-	-	-	-	1,941,696	1,941,696	-	-	1,941,696
Other comprehensive income, net of income tax, 2022	-	-	-	-	-	-	-	-	4,265	-	4,265
Total comprehensive income, 2022	-	-	-	-	-	-	1,941,696	1,941,696	4,265	-	1,945,961
Common shares issued under the employee stock option plan	2,230	(2,013)	217	13,770	-	-	-	-	-	-	13,987
Balance, Dec. 31, 2022	807,786	848	808,634	6,178,947	566,709	-	3,396,727	3,963,436	(450)	-	10,950,567
Appropriation and distribution of earnings, 2022											
Recognition of legal reserve	-	-	-	-	194,170	-	(194,170)	-	-	-	-
Recognition as special reserve	-	-	-	-	-	450	(450)	-	-	-	-
Cash dividends for the company's shareholders	-	-	-	-	-	-	(1,132,458)	(1,132,458)	-	-	(1,132,458)
Changes in the associates and ventures recognized for using the equity method	-	-	-	688	-	-	-	-	-	-	688
Cost for recognizing stock options as compensation	-	-	-	31,554	-	-	-	-	-	-	31,554
Net income, 2023	-	-	-	-	-	-	1,444,970	1,444,970	-	-	1,444,970
Other comprehensive income, net of income tax, 2023	-	-	-	-	-	-	-	-	107	-	107
Total comprehensive income, 2023	-	-	-	-	-	-	1,444,970	1,444,970	107	-	1,445,077
Common shares issued under the employee stock option plan	2,234	891	3,125	23,241	-	-	-	-	-	-	26,366
Balance, Dec. 31, 2023	\$ 810,020	\$ 1,739	\$ 811,759	\$ 6,234,430	\$ 760,879	\$ 450	\$ 3,514,619	\$ 4,275,948	(\$ 343)	\$ -	\$ 11,321,794

AP Memory Technology Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flow from operating activities		
Net income before tax	\$ 1,618,981	\$ 2,449,283
Adjustments		
Depreciation expense	63,097	58,876
Amortization expense	18,341	15,799
Expected credit losses (gain on reversal)	28,933	(638)
Gain on financial assets measured at FVTPL	(388,628)	(114,018)
Interest expenses	1,744	1,570
Interest income	(367,260)	(106,839)
Dividend income	(51)	(322)
Cost of share-based payment awards	31,554	26,099
Share of gain or loss from associates recognized for using the equity method	543	(5,964)
Loss (gain) on disposal or retirement of property, plant and equipment	-	(54)
Gain on lease modifications	-	(25)
Gain from disposal of investments	-	(13,443)
Losses on market price decline and obsolete and slow-moving inventories	61,551	25,675
Unrealized gain on foreign exchange	9,332	(4,839)
Net changes in operating assets and liabilities		
Accounts receivable	25,935	223,233
Other receivables	350	17,654
Inventories	615,511	142,554
Other current assets	(12,090)	(4,666)
Refundable deposits	4,927	519
Contract liabilities	45,785	(150,559)
Accounts payable	111,845	(452,124)
Other payables	43,208	(45,483)
Other current liabilities	6,955	(996)
Cash generated from operations	1,920,563	2,061,292
Interest received	350,882	95,178
Dividends received	51	322
Interest paid	(1,507)	(1,570)
Income tax paid	(226,688)	(580,588)
Net cash generated by operating activities	2,043,301	1,574,634

(Continued on the next page)

(Continued from the previous page)

	2023	2022
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	(\$ 494,632)	\$ -
Acquisition of long-term equity investments accounted for using the equity method	-	(33,771)
Purchase of property, plant and equipment	(10,527)	(26,030)
Disposal of property, plant and equipment	-	548
Acquisition of intangible assets	(12,149)	(19,194)
Dividends received from associates	<u>11,160</u>	<u>11,160</u>
Net cash used in investing activities	(<u>506,148</u>)	(<u>67,287</u>)
Cash flows from financing activities		
Increase in short-term loans	300,000	-
Increase in deposits received	2,000	-
Repayment of lease principal	(49,051)	(42,307)
Issuance of cash dividends	(1,132,442)	(968,275)
Capital increase by cash	-	5,151,283
Stock options exercised by employees	<u>26,366</u>	<u>13,987</u>
Net cash used in financing activities	(<u>853,127</u>)	<u>4,154,688</u>
Effect of exchange rate changes on cash and cash equivalents	(<u>2,242</u>)	<u>2,950</u>
Net increase in cash and cash equivalents	681,784	5,664,985
Cash and cash equivalents, beginning of year	<u>8,182,432</u>	<u>2,517,447</u>
Cash and cash equivalents, end of year	<u>\$ 8,864,216</u>	<u>\$ 8,182,432</u>

Attachment 3. Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared the AP Memory Technology Corporation's (APM) 2023 Business Report, Financial Statements and proposal for allocation of annual earnings. The CPA firm of Deloitte & Touche was retained to audit APM's Financial statements and has issued an audit report relating to the Financial statements. The Business Report, Financial Statements, and the annual earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of APM. According to relevant requirements of the Securities and Exchange Act and Company Law, we hereby submit this report.

AP Memory Technology Corporation

Chairman of Audit Committee : Yeh, Jui-Pin

March 1st, 2024

Attachment 4. Comparison Table Illustrating the Original and Amended Text of the "Procedures for the Election of the Directors"

Original Article	Amended Article
<p>6 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. <u>This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected.</u></p> <p>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, <u>or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM,</u> 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.</p>	<p>6 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.</p> <p>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.</p> <p>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.</p>
<p>11 <u>If the elector is a shareholder, the elector shall state the name of the candidate and the shareholder's account number in the elector column; if the elector is not a shareholder, he/she shall state the name of the candidate and the identity document</u></p>	<p><u>(This clause is deleted and the subsequent clause numbers are to be adjusted in sequence)</u></p>

Original Article	Amended Article
<p><u>number. However, if the government or a corporate shareholder is the candidate, the name of the government or corporate shall be listed in the Elected Name column of the ballot, and the name of the government or corporate and the name of its representative may also be listed; if there are several representatives, the names of the representatives shall be added separately.</u></p>	
<p>12 A ballot is invalid under any of the following circumstances:</p> <p>12.1 The ballot was not prepared by a person with the right to convene.</p> <p>12.2 A blank ballot is placed in the ballot box.</p> <p>12.3 The writing is unclear and indecipherable or has been altered.</p> <p>12.4 <u>The name of the candidate is a shareholder, the account name or shareholder number of the elected person does not match the register of shareholders.; The name and identification number of the candidate do not correspond to the identity of the shareholder, the name and identification number of the candidate shall be checked.</u></p> <p>12.5 Other words or marks are entered in addition to the number of voting rights allotted.</p> <p><u>12.6 The name of the candidate is the same as that of other shareholders without the shareholder's account number or identification number for identification purposes.</u></p>	<p><u>11</u> A ballot is invalid under any of the following circumstances:</p> <p>11.1 The ballot was not prepared by a person with the right to convene.</p> <p>11.2 A blank ballot is placed in the ballot box.</p> <p>11.3 The writing is unclear and indecipherable or has been altered.</p> <p>11.4 The candidate whose name is entered in the ballot does not conform to the director candidate list.</p> <p>11.5 Other words or marks are entered in addition to the number of voting rights allotted.</p>
<p><u>13~15</u> (Omitted).</p>	<p><u>12~14</u> (Omitted).</p>

Attachment 5. Details on Directors and Their Representatives Concurrently Hold Positions in Other Companies

Title	Name	Positions concurrently held in other companies at present
Director	Chen, Wen-Liang	<ul style="list-style-type: none"> ■ Chairman of the Board, M3 Technology Inc.
Director	Lishun Investment Co., Ltd. Representative: Hsieh, Ming-Lin	<ul style="list-style-type: none"> ■ President, Powerchip Investment Holding Corporation ■ Director, Powerchip Investment Holding Corporation ■ Director, Innostar Service, Inc. ■ Director, Skyvision Aviation Corp. ■ Director, Hiyes International Co., Ltd. ■ Director, Nexchip Semiconductor Corporation ■ Director, Powercoin Technology Corporation
Independent Director	Wang, Hsuan	<ul style="list-style-type: none"> ■ Independent Director, Kian Shen Corporation

Appendix

Appendix 1. Articles of Incorporation

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning and full text of the original language.)

Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 愛普科技股份有限公司 in the Chinese language and AP Memory Technology Corporation in the English language.

Article 2

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

- CC01080: Electronic parts and components manufacture.
- F401010: International Trade.
- I501010: Product design.
- F601010: Intellectual Property
- ZZ99999: All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company is headquartered in the Hsinchu County, Republic of China, and shall be free, upon approval of the Board of Directors and government authorities in charge, to set up representative or branch offices at various locations within or outside the territory of the Republic of China, whenever the Company deems it necessary.

Article 4

When the Company becomes a shareholder of limited liability of another company, the total amount of the Company's investment will not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Act.

Article 5

Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Article 5-1

The Company may provide endorsement and guarantee to other companies. The process shall be handled in accordance with the Company's Operating Procedures of Endorsement/Guarantee.

Article 6

The total capital stock of the Corporation shall be in the amount of 1,000,000,000 New Taiwan Dollars, divided into 200,000,000 shares, at 5 New Taiwan Dollars each, and may be paid-up in installments. The Corporation may issue employee stock options from time to time. A total of 20,000,000 shares among the above total capital stock should be reserved for issuing employee stock options, preferred shares with warrants, and Bond with warrant from time to time in accordance with the resolution of the Board of Directors

Article 6-1

To issue employee stock warrants that are lower than the closing price of the company stocks as of the issuing date., the Corporation is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. The Corporation is allowed to register multiple issues over a period of 1 year from the date of the shareholders resolution. The Corporation shall be required to specify the following information in the notice of reasons for convening the shareholders meeting, and may not raise the matter by means of an extraordinary motion according to "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" and the related regulations.

Article 7

The share certificates of this Corporation shall all be name-bearing share certificates, and issued in accordance with this Corporation Law and relevant rules and regulations of the Republic of China. This Corporation is exempted from printing any share certificate for the shares issued. Such unprinted issued shares shall be registered with a centralized securities depository enterprise.

Article 8

Changing in record of shareholder name shall be made in accordance with Article 165 of the Company Act.

Article 9

Shareholders' meetings of the Company are of two types, namely: (1) Annual General Shareholders' Meetings – which shall be convened by the Board of Directors within 6 months after the end of each fiscal year, and (2) Special Shareholders' Meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.

For shareholders holding less than 1,000 registered shares, the notice of meeting will be sent by public announcement instead of physical mail.

Notice of a meeting may be sent through electronic way if the counterparty agrees.

The shareholders' meeting may be held by video conference or other means announced by the central competent authority.

Article 10

A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. In addition to Article 177 of this Corporation Law, management of the proxies shall follow Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 11

Each share of stock shall be entitled to one vote.

Article 12

Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Article 12-1

The shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting. The method of exercising voting power shall be described in the shareholders' meeting notice. In addition to regulatory requirements, this Corporation shall adopt the electronic transmission as one of the methods for exercising the voting power in a shareholders' meeting.

Article 13

If the Corporation limited by shares which is organized by a single government shareholder or a single juristic person shareholder, the functional duties and power of the shareholders' meeting of the Corporation shall be exercised by its board of directors, to which the provisions governing the shareholders' meeting as set out in this Articles of Incorporation shall not apply.

Article 13-1

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the head office of the Corporation.

Article 14

The Corporation shall have seven to nine Directors. The Board of Directors is authorized to determine the number of Directors. The aforesaid Board of Directors must have at least three independent directors. Directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Law. The nomination of directors and related announcement shall comply with the relevant regulations of the Company Law and the Securities and Exchange Law. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately.

Article 14-1

In compliance with Articles 14-4 of the Securities and Exchange Law, the Corporation shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations.

Article 15

The Board of Directors shall be formed by elected Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors by a majority vote in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall be the chairman of shareholders' meetings, and shall have the authority to represent the Company.

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, unless otherwise regulated by the Company Act. Directors may be notified of the Board of Directors meeting via written notices, as E-mail or fax. Except as otherwise provided in the Company Act of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority or more of total Directors and resolutions shall be adopted with the concurrence of the majority or more of the Directors present at the meeting.

Article 16

In case the Chairman is on leave or otherwise cannot exercise his duty, should be in accordance with Article 165 of the Company Act.

Article 17

A Director may, by written authorization, appoint another Director to attend on his behalf any meeting of

the Board of Directors, and to vote for him on all matters presented at such meeting, but no Director may act as proxy for more than one other Director. Any Director attending the meeting via video conference shall be deemed attending the meeting in person.

Article 18

The Board of Directors is authorized to determine the salary for Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

Article 19

The Company may appoint or Dismissal one or more managers in accordance with Article 29 of the Company Act.

Article 20

After the end of each fiscal year, in accordance with Article 228 of the Company Act, Business Report, Financial Statements and the Proposal Concerning Appropriation of Profits or Covering of Losses shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance.

Article 21

If there is any profit for a specific fiscal year, the Company shall allocate no less than 1% of the profit as employees' compensation and shall allocate at a maximum of 3% of the profit as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance. Employee's compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. The Board of Directors is authorized to determine the qualification of such employees. The remuneration to Directors shall be paid in cash.

Article 21-1

If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:

1. Reserve for tax payments.
2. Offset accumulated losses in previous years, if any.
3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend.

The Board of Directors will prepare a distribution proposal and submit the same to the shareholders' meeting for review and approval by a resolution.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the whole of distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 20% of total dividends to shareholders.

Article 22

For matters not provided for in the Articles of Incorporation, it shall be handled in accordance with the Company Act of the Republic of China.

Article 23

These Articles of Incorporation were resolved on July 21, 2011. The first amendment was made on November 8, 2011, the second amendment was made on May 4, 2012, the third amendment was made on June 21, 2012, the fourth amendment was made on June 4, 2014, the fifth amendment was made on June 23, 2015, the sixth amendment was made on May 27, 2016, the seventh amendment was made on June 6, 2019, the eighth amendment was made on August 20, 2021, the ninth amendment was made on May 27, 2022.

Appendix 2. Rules Governing the Procedures for Shareholders Meetings

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning and full text of the original language.)

- 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 the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. The Shareholders' meeting should follow this procedures, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- 2 Convening shareholders meetings
 - 2.1 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. Any change in the manner of holding the meeting shall be resolved by the board of directors at the latest before delivering of the notice of the shareholders' meeting.
 - 2.2 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.
 - 2.3 The 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) 30 days before the date of a regular shareholders meeting or 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 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 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. As the Corporate 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.
 - 2.3.1 For physical shareholders meetings, to be distributed on-site at the meeting.
 - 2.3.2 For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 - 2.3.3 For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
 - 2.4 Election or dismissal of directors , 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 This Corporation 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 this Corporation 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, and shall not be raised as extraordinary motion.
 - 2.4.1 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 shall not be altered by any extraordinary motion or any way in said meeting.
 - 2.5 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 this Corporation 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 this 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 this Corporation Act, and no proposal containing more than one item will be included in the meeting agenda.
 - 2.6 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 shall not be less than 10 days
- 2.7 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.
 - 2.8 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.
 - 2.9 After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or online 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.
- 3 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. When the 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.
 - 4 The meeting notice shall specify the content as followings:
 - 4.1 The Company shall specify its shareholders meeting notices, including the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters. 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. To convene a virtual shareholders meeting, this Corporation shall include the following 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:
 - 4.1.1 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.
 - 4.1.2 Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - 4.1.3 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.
 - 4.1.4 Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
 - 4.2 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.
 - 4.3 Shareholders , their proxies and solicitors (collectively, "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.
 - 4.4 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.
 - 4.5 The 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. In the event of a virtual

- shareholders meeting, the Corporation shall upload the aforementioned documents to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
- 4.6 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.
 - 4.7 In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Corporation two days before the meeting date.
 - 4.8 When the Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 4.7 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.
- 5 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.
- 5.1 When 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 This Corporation. The same shall be true for a representative of a juristic person director that serves as chair.
 - 5.2 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.
 - 5.3 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.
 - 5.4 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.
- 6 Attend and Proxy
- 6.1 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.
 - 6.2 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.
- 7 The 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, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the 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 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, the Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.
- 8 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.
 - 9 The chair shall call the meeting to order at the appointed meeting time. 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 This Corporation 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 paragraph 4.7.
- 10 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.
 - 11 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 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.
 - 11.1 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.
 - 11.2 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.
 - 11.3 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.
 - 12 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.
 - 12.1 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.
 - 12.2 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.
 - 12.3 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.
 - 12.4 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.
 - 12.5 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
 - 12.6 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 12.1 to 12.5 do not apply.
 - 13 Calculation of voting shares and recusal system
 - 13.1 Voting at a shareholders meeting shall be calculated based the number of shares.
 - 13.2 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.
 - 13.3 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.
 - 13.4 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.
 - 13.5 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.

- 14.1 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.
 - 14.2 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.
 - 14.3 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. If shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal. When a 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.
 - 14.4 Resolutions of a shareholders shall be approved by a majority of the votes of the shareholders present. Except as otherwise provided in the Companies Act and Articles of Incorporation. In the event of a vote, the chairman or his or her designee shall announce the total number of votes of the shareholders present on a case-by-case basis, and then the shareholders shall vote on the motion on a case-by-case basis. The results of the shareholders' approval, disapproval and abstention shall be announced through the MOPS. on the day after the shareholders' meeting.
 - 14.5 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.
 - 14.6 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.
 - 14.7 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. 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.
 - 14.8 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. 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.
- 15 The election of directors 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 the numbers of votes with which they were elected, and the names of directors 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.
 - 16 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The 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. The minutes shall be retained for the duration of the existence of this

Corporation. This Corporation could distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS as this Corporation is the public Company. 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.

- 17 On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, 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.
- 18 As this Corporation be the public company, if matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.
- 19 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.
- 20 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.
- 21 Handling of technical issues related to virtual shareholders meeting
 - 21.1 In the event of a virtual shareholders meeting, the 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.
 - 21.2 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.
 - 21.3 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.
 - 21.4 For a meeting to be postponed or resumed under the 21.2, 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 postponed 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.

- 21.5 During a postponed or resumed session of a shareholders meeting held under the 21.2, 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.
- 21.6 When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in 21.2, 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.
- 21.7 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.
- 21.8 When postponing or resuming a meeting according to the 21.2, 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.
- 21.9 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
- 22 These procedures shall be effective upon adoption by the shareholders' meeting and shall be amended in the same manner.

Appendix 3. Procedures for the Election of the Directors (Before the amendments)

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning and full text of the original language.)

1 Purpose

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

2 Scope

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.

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

3.1 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.

3.2 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:

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

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

3.3 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:

3.3.1 The ability to make judgments about operations.

3.3.2 Accounting and financial analysis ability.

3.3.3 Business management ability.

3.3.4 Crisis management ability.

3.3.5 Knowledge of the industry.

3.3.6 An international market perspective.

3.3.7 Leadership ability.

3.3.8 Decision-making ability.

4 The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

5 The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

6 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. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected.

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, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, 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.
- 7 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.
 - 8 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.
 - 9 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.
 - 10 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.
 - 11 If the elector is a shareholder, the elector shall state the name of the candidate and the shareholder's account number in the elector column; if the elector is not a shareholder, he/she shall state the name of the candidate and the identity document number. However, if the government or a corporate shareholder is the candidate, the name of the government or corporate shall be listed in the Elected Name column of the ballot, and the name of the government or corporate and the name of its representative may also be listed; if there are several representatives, the names of the representatives shall be added separately.
 - 12 A ballot is invalid under any of the following circumstances:
 - 12.1 The ballot was not prepared by a person with the right to convene.
 - 12.2 A blank ballot is placed in the ballot box.
 - 12.3 The writing is unclear and indecipherable or has been altered.
 - 12.4 The name of the candidate is a shareholder, the account name or shareholder number of the elected person does not match the register of shareholders. ; The name and identification number of the candidate do not correspond to the identity of the shareholder, the name and identification number of the candidate shall be checked.
 - 12.5 Other words or marks are entered in addition to the number of voting rights allotted.
 - 12.6 The name of the candidate is the same as that of other shareholders without the shareholder's account number or identification number for identification purposes.
 - 13 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.
 - 14 The board of directors of this Corporation shall issue notifications to the persons elected as directors.
 - 15 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting

Appendix 4. Shareholdings of All Directors

1. Total share issued as of 2024/03/29: 162,194,616 shares.
2. The Company satisfies the minimum shareholding requirements for directors, that is 12,975,569 shares, under the Securities and Exchange Act.

Title	Name	Current Shareholding (Shares)	Current Shareholding (%)
Chairman	Chen, Wen-Liang	61,776	0.04%
Director	Liu, Chin-Hung (Representative of Shanyi Investment Co., Ltd.)	26,706,668	16.47%
Director	Hsieh, Ming-Lin (Representative of Lishun Investment Co., Ltd.)	127,854	0.08%
Director	Hung, Chih-Hsun	102,112	0.06%
Independent Director	Wang, Hsuan	0	0%
Independent Director	Sun, Elizabeth	0	0%
Independent Director	Yeh, Jui-Pin	0	0%
Independent Director	Liu, Frank	0	0%
Total		26,998,410	16.65%