



**Taiwan-Asia Semiconductor Corporation**

Formerly named: OPTO TECH CORPORATION

**Stock Code: 2340**

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

**2024**

**Convening method** / Entity Shareholders' Meeting

**Date** / May 28, 2024

**Place** / No. 773, Ming-Hu Road, Hsinchu, 300, Taiwan  
(Lakeshore Hotel Hsinchu Leith Castle – Versailles B1)

**Taiwan-Asia Semiconductor Corporation**  
**(OPTO TECH CORPORATION)**  
**Handbook for the 2024 General Meeting of Shareholders**  
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I. Meeting type: Physical Shareholders Meeting

II. Time: 9:00 a.m., May 28, 2024

III. Place: No. 773, Ming-Hu Road, Hsinchu, 300, Taiwan

(Lakeshore Hotel Hsinchu Leith Castle – B1 Versailles Hall)

IV. Agenda

**1. Meeting called to order**

**2. Report Items:**

(1) 2023 Business Report (Please refer to pages 12-16 of this Handbook for details.)

(2) 2023 Audit Committee Report (Please refer to page 17 of this Handbook for details.)

(3) Distribution of Remuneration to Employees and Directors Report 2023

Description:

In accordance with the Articles of Incorporation, the Company's Board of Directors has approved appropriating the amount of NT\$34,306,106 (10.11%) as employee remuneration and the amount of NT\$17,153,053 (5.06%) as director remuneration based on the profit status of the year 2023. The aforementioned amounts are to be distributed entirely in cash, and are not different from the estimated amounts of expenses recognized on the account.

(4) 2023 Surplus Distribution and Cash Dividend Report

Description:

1) In accordance with the provisions of Article 29-1 of the Articles of Incorporation, the Board of Directors is authorized to resolve that all or part of the dividends and bonuses distributable are to be made by way of cash, which resolution shall also be reported to the Shareholder meeting.

2) The surplus for the year 2023 is appropriated to be the shareholder bonus in the amount of NT\$219,311,423, which is to be distributed by way of cash dividends of NT\$0.5 per share. The actual dividend payout ratio is calculated based on the number of shares entitled to participate in the distribution on the ex-dividend date, and rounded up or down to the whole number, of which the total of its fractional amount less than NT\$1 shall be adjusted in order starting from the largest decimal number to the smallest decimal number as well as from the smallest shareholder account number to the largest one until it reaches the total amount of the cash dividend to be distributed.

3) This proposal has been adopted by a resolution of the Board of Directors and authorized the Chairman to set the ex-dividend date and to make determinations on other related matters; if the Company subsequently buys back the Company's shares or transfers treasury stocks to employees, etc., which requires adjustments to be made due to the number of outstanding shares being affected and the dividend payout ratio to its shareholders being changed, the Chairman shall be authorized with discretionary powers to handle such matters.

### **3. Director Election:**

Full re-election of the Company's directors (including independent directors). (Proposed by: Board of Directors)

Description:

- 1) The term of the fifteenth directors will be expired on October 20, 2024, and the re-election will be held at the shareholders' meeting and be handled in accordance with the laws.
- 2) This proposal of 7 directors (including 3 independent directors) are to be elected this time for a term of 3 years, from May 28, 2024 (the completion (adjournment) of this shareholders' meeting) to May 27, 2027. The current directors (including 3 independent directors) will serve until the completion (adjournment) of this shareholders' meeting. ( Please refer to the provisions of Article 199-1 of the Company Act)
- 3) The directors' election adopts a nomination system, and the directors shall be appointed from among the list of director candidates by the shareholders, the professional qualifications and independence of independent director candidates have been reviewed by the Corporate Governance Officer and are in compliance with relevant laws and regulations. Which contains the education, experience and other related information of the candidates. (Please refer to pages 18-20 of this Handbook.)
- 4) "Procedures for Election of Directors". (Please refer to pages 81-82 of this Handbook.)
- 5) Please hold an election.

Election result:

### **4. Proposed Resolutions:**

Proposal 1: The 2023 Financial Statements and Business Report are hereby submitted for recognition. (Proposed by: Board of Directors)

Description:

- 1) The Company's 2023 Financial Statement have been completed with the review conducted by the accountants, Chih-Yuan Chen and Tung-Feng Lee of Deloitte & Touche Taiwan, and such Statement has been submitted with the 2023 Business Report and completed with the review by the Audit Committee. (Please refer to pages 21-40 of this Handbook.)
- 2) Motion is made to submit the foregoing statements and report for recognition.

Resolution:

Proposal 2: The distribution of the 2023 surplus is hereby submitted for recognition. (Proposed by: Board of Directors)

Description:

- 1) The distribution of the Company's 2023 surplus has been approved by the Board of Directors, as well as submitted to and completed with the review by the Audit Committee.
- 2) The Table for the Company's 2023 Surplus Distribution is attached in detail. (Please refer to page 41 of this Handbook.)

Resolution:

Proposal 3:Approval for competition by newly appointed directors and their representatives is proposed for discussion. (Proposed by: Board of Directors)

Description:

- 1) According to Article 209 of the Company Act, which states “a director 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”.
- 2) the approval of the shareholders' meeting regarding competition by Board of Directors and its representatives (including independent directors) is proposed. The information related to director candidates competition is as listed in the attachments. (Please refer to pages 42 of this Handbook.)

Resolution:

Proposal 4:It is planned to split the company's "8-inch GaN Product Business Group" and transfer it to the existing subsidiary "Gan-Asia Semiconductor Corporation" (Proposed by: Board of Directors)

Description:

- 1) According to Article 35 of the Corporate Mergers and Acquisitions Act, the Company proposes the split of the 8-inch GaN Product Business Group related business (including assets, liabilities and business) into the existing subsidiary, wholly owned existing subsidiary, “Gan-Asia Semiconductor Corporation” (hereinafter referred to as the Gan-Asia Semiconductor Corporation), in order to implement professional division of labor and improve the Company’s overall business performance and market competitiveness based on efficiency planning.
- 2) The book value of the proposed split net assets is NT\$1,000,000,000. The business value is based on the accountant’s review of the Company’s 2023 Financial Reports for the Second Quarter and depreciation, capital expenditure plans, value changes of related items up to the split date and other factors have been included in the estimation. However, the actual amount will be based on the book value on the record date of the split.
- 3) The business value of the proposed target of split is NT\$1,000,000,000. The Gan-Asia Semiconductor Corporation is expected to issue 100,000,000 common shares as payment for the split target to the Company with common shares with nominal values of NT\$10 for each share converted to NT\$10 for each share for the split target value. However, the actual number of shares and amount issued will be based on the aforementioned share conversion value with the book value of the split target on the base date of the split, and it will be proposed to the shareholders' meeting to authorize the Chairman to make adjustment according to the split plan.
- 4) In accordance with the Enterprise Mergers and Acquisitions Act, the Company Act and other relevant laws and regulations, a "Split Plan" has been prepared as shown in the attachment. (Please refer to pages 43-63 of this Handbook.) In addition, CPA Hong-Yi Wu of the Integritas CPA & Associates has been consulted to issue a rationality opinion for the business value of the split transfer in this case. (Please refer to pages 54-63 of this Handbook.) For

details please refer to the attachment; The "Split Plan" is planned to be formally signed by the authorized representatives of both parties on April 11, 2024 after it is approved by the board of directors. The company authorizes independent director Tsai Shih-Kuang to sign as the authorized representative.

- 5) The split record date is temporarily set as August 30, 2024. However, if the split record date is required to be adjusted due to the operational schedule, the new date shall be decided by the Company's Board of Directors or board appointed person and the decision-making unit of the Gan-Asia Semiconductor Corporation.
- 6) For the business scope, monetary amount (including assets, liabilities and business), share conversion ratio, operational schedule and other related matters or unspecified matters of the aforementioned business proposed by the company to be split, a shareholders' meeting resolution to authorize the Chairman to handle all matters and make adjustments is to be requested within the scope of laws and regulations.
- 7) When the proposal is passed, ratifying resolutions and other necessary resolutions for the split plan are requested from the shareholders' meeting according to relevant laws and regulations.
- 8) Considering the synergy of the group's operations, the company will continue to engage in the "6-inch GaN product business". The trademarks, technologies, software, know-how, and trade secrets owned by the company before the split base date related to the "GaN product business" are difficult to be split because they are shared among 6-inch and 8-inch GaN products. Therefore, they are not included in the scope of this split plan. After the split base date, the two parties may separately agree on the authorization method, and the company will authorize the aforementioned technologies to Gan-Asia Semiconductor Corporation, so that Gan-Asia Semiconductor Corporation can still exercise/use the relevant rights after taking over the business of the "8-inch GaN Product Business Group".

Resolution:

Proposal 5: To cooperate with the future stock listing plan of the subsidiary, ProAsia Semiconductor Corporation (hereinafter referred to as "ProAsia Semiconductor Corporation"), the Company shall carry out the stock release operation and abandon the cash capital increase plan of ProAsia Semiconductor Corporation. Please discuss the proposal. (Proposed by: Board of Directors)

Description:

- 1) To support the operational development of the subsidiary, ProAsia Semiconductor Corporation, and to attract and retain the necessary professional talents, as well as to comply with the regulations of the securities listing application, the Company's shareholding of ProAsia Semiconductor Corporation needs to be reduced to below 70% before applying for listing. At the time of listing, the Company, its subsidiaries, the directors, supervisors, representatives, shareholders holding more than 10% of the total outstanding shares, and their related parties may collectively hold no more than 70% of the total issued shares of ProAsia Semiconductor Corporation. To maintain control over

ProAsia Semiconductor Corporation as stated in the third point of this explanation, the Company plans to dispose of some of its shares in ProAsia Semiconductor Corporation during the first or subsequent cash capital increase(s) issued by ProAsia Semiconductor Corporation before it applies for listing. The Company may also choose to release some or all of its shares or waive the right to subscribe for some or all of the newly issued shares, and dispose of some of its shares in ProAsia Semiconductor Corporation in one or more installments.

(a) Abandonment of the capital increase in cash subscription

The cash capital increase price of ProAsia Semiconductor Corporation should not be lower than the net asset value per share of the financial statements audited or reviewed by the accountant in the latest period before the Board of Directors of ProAsia Semiconductor Corporation approves the cash capital increase. However, if the stock has been traded on the stock exchange, in addition to the aforementioned net asset value, the price should also be determined based on the prevailing market price at the time. Taking into account its operational development, recruitment and retention of professional talents to improve the operating performance, in addition to reserving 10% to 15% of the cash capital increase shares for employee subscription and making full public offerings and underwriting pursuant to Article 28-1 of the Securities and Exchange Act and relevant laws and regulations, the Company may abandon the subscription of shares in the cash capital increase of ProAsia Semiconductor Corporation, and the qualified shareholders of the Company shall have priority to subscribe. If the Company's shareholders abandon the subscription or the subscription is insufficient, ProAsia Semiconductor Corporation will be encouraged to offer a subscription proposal within the waived subscription shares to its employees, the employees of the Company and related enterprises, and strategic or financial investors that may contribute to the development of ProAsia Semiconductor Corporation's operations. Among them, the qualified shareholders of the Company refer to the shareholders recorded in the shareholder registry on the latest record date for the subscription of the new shares in the cash capital increase of ProAsia Semiconductor Corporation and who hold one or more shares of the Company calculated on a proportional basis according to their shareholding recorded in the registry (the Company's shareholders may consolidate their holdings in accordance with relevant regulations). However, the number of shares issued, price, negotiations with specific individuals, and the timetable of the cash capital increase shall be subject to the resolution of the Board of Directors of ProAsia Semiconductor Corporation.

(b) Disposal of ProAsia Semiconductor Corporation shares

The Company disposal price of ProAsia Semiconductor Corporation should not be lower than the net asset value per share of the financial statements audited or reviewed



by the accountant in the latest period before the Board of Directors of ProAsia Semiconductor Corporation approves the disposal. However, if the stock has been traded on the stock exchange, in addition to the aforementioned net asset value, the price should also be determined based on the prevailing market price at the time. The Company will prioritize the existing shareholders listed on the latest record date to subscribe for the disposed shares of ProAsia Semiconductor Corporation in proportion to their current shareholding, in order to avoid increasing administrative costs. However, only shareholders holding one or more shares on the latest record date will be eligible to subscribe for the disposed shares of ProAsia Semiconductor Corporation. The actual transaction price, the negotiation of the counterparties to the transaction and the operation schedule are proposed to the shareholders' meeting to authorize the board of directors of the Corporation to determine the transaction in accordance with the prevailing market conditions and the operating conditions of ProAsia Semiconductor Corporation, and to handle the transaction in accordance with the Corporation's prevailing procedures for the acquisition or disposal of assets. In addition, in consideration of the development of ProAsia Semiconductor Corporation's operation and the purpose of attracting and retaining professional talents to enhance the operation performance, if the shareholders of the Corporation give up the subscription or under-subscribe, the Chairman of the Corporation will be authorized to negotiate with specific persons to subscribe, and the counterparties of the transaction will be the employees of ProAsia Semiconductor Corporation, the employees of the Corporation and its affiliates, and the strategic investors or financial investors who are beneficial to the development of the operation of ProAsia Semiconductor Corporation.

- 2) For the stock release required for the registration and listing process of ProAsia Semiconductor Corporation, the Company shall allocate shares for the underwriter and for the oversubscription process according to relevant laws and regulations and related listing requirements. The number of shares to be allocated and the price shall be jointly agreed upon by the underwriter based on relevant laws and regulations, market conditions at the time, and ProAsia Semiconductor Corporation's operating status.
- 3) After completing the aforementioned operations of releasing shares and/or waiving the cash capital increase subscription, the Company's direct or indirect comprehensive shareholding percentage in ProAsia Semiconductor Corporation shall still not be less than 50% at the time of its listing, in order to maintain control and achieve group synergy.
- 4) The Company's Shareholders' Meeting is requested to authorize the Board of Directors to fully handle the above-mentioned matters related to the release of shares and/or abandonment of cash capital increase subscription for ProAsia Semiconductor Corporation.

Resolution:



Proposal 6: To cooperate with the future stock listing plan of the subsidiary, Gan-Asia Semiconductor Corporation (hereinafter referred to as "Gan-Asia Semiconductor Corporation"), the Company shall carry out the stock release operation and abandon the cash capital increase plan of Gan-Asia Semiconductor Corporation. Please discuss the proposal. (Proposed by: Board of Directors)

Description:

1) To support the operational development of the subsidiary, Gan-Asia Semiconductor Corporation, and to attract and retain the necessary professional talents, as well as to comply with the regulations of the securities listing application, the Company's shareholding of Gan-Asia Semiconductor Corporation needs to be reduced to below 70% before applying for listing. At the time of listing, the Company, its subsidiaries, the directors, supervisors, representatives, shareholders holding more than 10% of the total outstanding shares, and their related parties may collectively hold no more than 70% of the total issued shares of Gan-Asia Semiconductor Corporation. To maintain control over Gan-Asia Semiconductor Corporation as stated in the third point of this explanation, the Company plans to dispose of some of its shares in Gan-Asia Semiconductor Corporation during the first or subsequent cash capital increase(s) issued by Gan-Asia Semiconductor Corporation before it applies for listing. The Company may also choose to release some or all of its shares or waive the right to subscribe for some or all of the newly issued shares, and dispose of some of its shares in Gan-Asia Semiconductor Corporation in one or more installments.

(a) Abandonment of the capital increase in cash subscription

The cash capital increase price of Gan-Asia Semiconductor Corporation should not be lower than the net asset value per share of the financial statements audited or reviewed by the accountant in the latest period before the Board of Directors of Gan-Asia Semiconductor Corporation approves the cash capital increase. However, if the stock has been traded on the stock exchange, in addition to the aforementioned net asset value, the price should also be determined based on the prevailing market price at the time. Taking into account its operational development, recruitment and retention of professional talents to improve the operating performance, in addition to reserving 10% to 15% of the cash capital increase shares for employee subscription and making full public offerings and underwriting pursuant to Article 28-1 of the Securities and Exchange Act and relevant laws and regulations, the Company may abandon the subscription of shares in the cash capital increase of Gan-Asia Semiconductor Corporation, and the qualified shareholders of the Company shall have priority to subscribe. If the Company's shareholders abandon the subscription or the subscription is insufficient, Gan-Asia Semiconductor Corporation will be encouraged to offer a subscription proposal within the waived subscription shares to its employees, the employees of the Company and related enterprises, and strategic or financial investors that may contribute to the development of Gan-Asia Semiconductor Corporation's

operations. Among them, the qualified shareholders of the Company refer to the shareholders recorded in the shareholder registry on the latest record date for the subscription of the new shares in the cash capital increase of Gan-Asia Semiconductor Corporation and who hold one or more shares of the Company calculated on a proportional basis according to their shareholding recorded in the registry (the Company's shareholders may consolidate their holdings in accordance with relevant regulations). However, the number of shares issued, price, negotiations with specific individuals, and the timetable of the cash capital increase shall be subject to the resolution of the Board of Directors of Gan-Asia Semiconductor Corporation.

(b) Disposal of Gan-Asia Semiconductor Corporation shares

The Company disposal price of Gan-Asia Semiconductor Corporation should not be lower than the net asset value per share of the financial statements audited or reviewed by the accountant in the latest period before the Board of Directors of Gan-Asia Semiconductor Corporation approves the disposal. However, if the stock has been traded on the stock exchange, in addition to the aforementioned net asset value, the price should also be determined based on the prevailing market price at the time. The Company will prioritize the existing shareholders listed on the latest record date to subscribe for the disposed shares of Gan-Asia Semiconductor Corporation in proportion to their current shareholding, in order to avoid increasing administrative costs. However, only shareholders holding one or more shares on the latest record date will be eligible to subscribe for the disposed shares of Gan-Asia Semiconductor Corporation. The actual transaction price, the negotiation of the counterparties to the transaction and the operation schedule are proposed to the shareholders' meeting to authorize the board of directors of the Corporation to determine the transaction in accordance with the prevailing market conditions and the operating conditions of Gan-Asia Semiconductor Corporation, and to handle the transaction in accordance with the Corporation's prevailing procedures for the acquisition or disposal of assets. In addition, in consideration of the development of Gan-Asia Semiconductor Corporation's operation and the purpose of attracting and retaining professional talents to enhance the operation performance, if the shareholders of the Corporation give up the subscription or under-subscribe, the Chairman of the Corporation will be authorized to negotiate with specific persons to subscribe, and the counterparties of the transaction will be the employees of Gan-Asia Semiconductor Corporation, the employees of the Corporation and its affiliates, and the strategic investors or financial investors who are beneficial to the development of the operation of Gan-Asia Semiconductor Corporation.

- 2) For the stock release required for the registration and listing process of Gan-Asia Semiconductor Corporation, the Company shall allocate shares for the underwriter and for the oversubscription process according to relevant laws and regulations and related listing

requirements. The number of shares to be allocated and the price shall be jointly agreed upon by the underwriter based on relevant laws and regulations, market conditions at the time, and Gan-Asia Semiconductor Corporation's operating status.

- 3) After completing the aforementioned operations of releasing shares and/or waiving the cash capital increase subscription, the Company's direct or indirect comprehensive shareholding percentage in Gan-Asia Semiconductor Corporation shall still not be less than 50% at the time of its listing, in order to maintain control and achieve group synergy.
- 4) The Company's Shareholders' Meeting is requested to authorize the Board of Directors to fully handle the above-mentioned matters related to the release of shares and/or abandonment of cash capital increase subscription for Gan-Asia Semiconductor Corporation.

Resolution:

Proposal 7: To cooperate with the future stock listing plan of the subsidiary, United-Asia Semiconductor Corporation (hereinafter referred to as "United-Asia Semiconductor Corporation"), the Company shall carry out the stock release operation and abandon the cash capital increase plan of United-Asia Semiconductor Corporation. Please discuss the proposal. (Proposed by: Board of Directors)

Description:

- 1) To support the operational development of the subsidiary, United-Asia Semiconductor Corporation, and to attract and retain the necessary professional talents, as well as to comply with the regulations of the securities listing application, the Company's shareholding of United-Asia Semiconductor Corporation needs to be reduced to below 70% before applying for listing. At the time of listing, the Company, its subsidiaries, the directors, supervisors, representatives, shareholders holding more than 10% of the total outstanding shares, and their related parties may collectively hold no more than 70% of the total issued shares of United-Asia Semiconductor Corporation. To maintain control over United-Asia Semiconductor Corporation as stated in the third point of this explanation, the Company plans to dispose of some of its shares in United-Asia Semiconductor Corporation during the first or subsequent cash capital increase(s) issued by United-Asia Semiconductor Corporation before it applies for listing. The Company may also choose to release some or all of its shares or waive the right to subscribe for some or all of the newly issued shares, and dispose of some of its shares in United-Asia Semiconductor Corporation in one or more installments.

- (a) Abandonment of the capital increase in cash subscription

The cash capital increase price of United-Asia Semiconductor Corporation should not be lower than the net asset value per share of the financial statements audited or reviewed by the accountant in the latest period before the Board of Directors of United-Asia Semiconductor Corporation approves the cash capital increase. However, if the

stock has been traded on the stock exchange, in addition to the aforementioned net asset value, the price should also be determined based on the prevailing market price at the time. Taking into account its operational development, recruitment and retention of professional talents to improve the operating performance, in addition to reserving 10% to 15% of the cash capital increase shares for employee subscription and making full public offerings and underwriting pursuant to Article 28-1 of the Securities and Exchange Act and relevant laws and regulations, the Company may abandon the subscription of shares in the cash capital increase of United-Asia Semiconductor Corporation, and the qualified shareholders of the Company shall have priority to subscribe. If the Company's shareholders abandon the subscription or the subscription is insufficient, United-Asia Semiconductor Corporation will be encouraged to offer a subscription proposal within the waived subscription shares to its employees, the employees of the Company and related enterprises, and strategic or financial investors that may contribute to the development of United-Asia Semiconductor Corporation's operations. Among them, the qualified shareholders of the Company refer to the shareholders recorded in the shareholder registry on the latest record date for the subscription of the new shares in the cash capital increase of United-Asia Semiconductor Corporation and who hold one or more shares of the Company calculated on a proportional basis according to their shareholding recorded in the registry (the Company's shareholders may consolidate their holdings in accordance with relevant regulations). However, the number of shares issued, price, negotiations with specific individuals, and the timetable of the cash capital increase shall be subject to the resolution of the Board of Directors of United-Asia Semiconductor Corporation.

(b) Disposal of United-Asia Semiconductor Corporation shares

The Company disposal price of United-Asia Semiconductor Corporation should not be lower than the net asset value per share of the financial statements audited or reviewed by the accountant in the latest period before the Board of Directors of United-Asia Semiconductor Corporation approves the disposal. However, if the stock has been traded on the stock exchange, in addition to the aforementioned net asset value, the price should also be determined based on the prevailing market price at the time. The Company will prioritize the existing shareholders listed on the latest record date to subscribe for the disposed shares of United-Asia Semiconductor Corporation in proportion to their current shareholding, in order to avoid increasing administrative costs. However, only shareholders holding one or more shares on the latest record date will be eligible to subscribe for the disposed shares of United-Asia Semiconductor Corporation. The actual transaction price, the negotiation of the counterparties to the transaction and the operation schedule are proposed to the shareholders' meeting to authorize the board of directors of the Corporation to determine the transaction in

accordance with the prevailing market conditions and the operating conditions of United-Asia Semiconductor Corporation, and to handle the transaction in accordance with the Corporation's prevailing procedures for the acquisition or disposal of assets. In addition, in consideration of the development of United-Asia Semiconductor Corporation's operation and the purpose of attracting and retaining professional talents to enhance the operation performance, if the shareholders of the Corporation give up the subscription or under-subscribe, the Chairman of the Corporation will be authorized to negotiate with specific persons to subscribe, and the counterparties of the transaction will be the employees of United-Asia Semiconductor Corporation, the employees of the Corporation and its affiliates, and the strategic investors or financial investors who are beneficial to the development of the operation of United-Asia Semiconductor Corporation.

- 2) For the stock release required for the registration and listing process of United-Asia Semiconductor Corporation, the Company shall allocate shares for the underwriter and for the oversubscription process according to relevant laws and regulations and related listing requirements. The number of shares to be allocated and the price shall be jointly agreed upon by the underwriter based on relevant laws and regulations, market conditions at the time, and United-Asia Semiconductor Corporation's operating status.
- 3) After completing the aforementioned operations of releasing shares and/or waiving the cash capital increase subscription, the Company's direct or indirect comprehensive shareholding percentage in United-Asia Semiconductor Corporation shall still not be less than 50% at the time of its listing, in order to maintain control and achieve group synergy.
- 4) The Company's Shareholders' Meeting is requested to authorize the Board of Directors to fully handle the above-mentioned matters related to the release of shares and/or abandonment of cash capital increase subscription for United-Asia Semiconductor Corporation.

Resolution:

## **5. Extemporaneous motions:**

## **6. Meeting adjourned**

# 【 Business Report 】

## 1.2023 Business Results:

### (1) Implementation results from 2023 Business Plan:

Factors such as reduced orders resulted from the recession in the consumer electronics market, lower than expected production capacity utilization, and unsatisfactory destocking of major customers' inventories have affected the actual revenue of Taiwan-Asia Group in 2023; As for the subsidiary, "ProAsia Semiconductor Corporation" has completed the construction of the SiC production line and is expected to launch trial mass production in 2024; After the split, "Star Asia Vision Corporation" (formerly known as "Opto System Technologies Inc.") continued to move along the growth track. A summary of the key operating results of the overall group is as follows:

- 1) The high-speed optocoupler device characteristics verification has been completed and transferred to the mass production stage, and the expansion of the product line has been completed as planned.
- 2) The development of Flip type and Band-pass sensing components model design has been complete based on the model design and the cooperation with major manufacturers in the United States and South Korea.
- 3) The development and verification of compound semiconductor visible light sensing device has been completed.
- 4) The flip-chip technology platform for red light and infrared light emitting devices has been developed and is used in miniaturized high-end packaged sensing, automotive and high-power products.
- 5) The 500V~650V series packaging products of Si power semiconductor devices have been verified to meet the characteristics to complete the development.
- 6) The construction and acceptance of the first GaN-on-Si MOCVD epitaxy machine has been completed, and the physical and electrical properties of the self-made 6-inch 650V D-mode GaN HEMT epitaxy wafer have met the standards.
- 7) GaN HEMT 650V D-mode power device epitaxial vertical breakdown voltage and device characteristics development have been completed.
- 8) The 8-inch GaN-on-Si dedicated clean room has been upgraded, and the installation and positioning of mini-line equipment has been completed.
- 9) Completion of the thin film optical design and the verification of thin-film coating equipment.
- 10) The second-generation engineering sample of the non-invasive continuous detection blood glucose meter has entered the animal and human experiment stage, and the algorithm continues to be optimized to reach the level of medical-grade instruments.
- 11) Completion of the upgrade of the MES manufacturing execution system of the Innovation Fab and Headquarters, and the improvement of the reporting system related to intelligent

auxiliary manufacturing to effectively enhance production and management efficiency.

12) Overall, total 2023 operating revenue reached NT\$3.972 billion, with after-tax net profit of NT\$303,901,000, and earnings per share of NT\$0.70.

(2) 2023 budget implementation status:

Unit: Millions

Primary product	2023 sales figures	
	Projected	Actual
Light-emitting components	13,240	6,162
Sensing components (Including power components)	22,260	17,523
Total	35,500	23,685

(3) Analysis of financial income/outlay and profit capacity:

Unit: NT\$ thousands

Figure	2023
Operating revenues	3,972,279
Operating income	78,681
Profit before income tax	300,435
Interest expense	19,516
Ratio of interest expense to operating income (%)	24.80%

Unit: NT\$ thousands; %

Year/figure		2023
Basic figure	Aggregate liabilities	3,993,809
Financial structure	Equity capital ratio	68.03%
	Liabilities as proportion of assets	31.97%
	Long-term funds as proportion of real estate, factories and equipment	195.10%
Debt servicing capacity	Current ratio	241.73%
	Quick ratio	167.78%
	Times interest earned ratio	16.39

(4) Research & development

- 1) GaN HEMT 650V D-mode power device epitaxial vertical breakdown voltage and device characteristics development.
- 2) Cooperation with international major manufacturers based on their module design to continue to develop sensing devices.
- 3) The development and verification of compound semiconductor visible light sensing device has been completed.
- 4) Non-invasive blood glucose detection technology has been developed, and animal and human experiments and data collection and analysis have begun.
- 5) The thin film optical design has been completed to meet the customer's product application, and the construction of a clean room and the equipment verification of 4 coating equipment have been completed by the end of the same year.



- 6) Subsidiary ProAsia has actively carried out the development and trial production of SiC power devices, and also discussed cooperation and technical exchanges with design companies to enhance the energy of the R&D team.
- 7) Subsidiary Star Asia Vision has been actively developing special designs and processes for hyperboloid displays and control systems to meet the needs of high-end customers in niche markets.

## 2. 2024 operating plan:

### (1) Operations program:

- 1) Vertically integrating the capabilities of various production chains within the group and completing and enriching the supply chain by group division of labor. With the goal of maximizing production resources, the production and shipment momentum has been promoted to create new peaks in the group's revenue.
- 2) Continuous and active development of third-generation semiconductor materials and power devices and enter the mass production to improve production capacity utilization and increase the group's revenue.
- 3) Promoting various product yield improvement plans and continuously improving process stability and equipment automation ratio to grant the group company the technical capabilities of mass-production of high-end application products..
- 4) Upgrading production equipment to be equipped with AI intelligence and automated management operations to accelerate the upgrade and recreation of factory automation; Shortening the production cycle, improving production efficiency, and moving towards a smart semiconductor manufacturing factory with high-efficiency output, paperless digital transformation, and compliance with global ESG standards.

### (2) Projected sales volume and basis:

In response to environmental protection needs and the development of the electric vehicle market, the demand for high-frequency and high-voltage power devices has greatly increased, thus driving the emergence of third-generation semiconductor materials such as gallium nitride (GaN) and silicon carbide (SiC). According to research and observation by DIGITIMES Research, current gallium nitride (GaN) power semiconductors are expected to support mid-to-high power and Internet of Vehicles applications in the next 5 to 10 years with the advancement of crystal growth and epitaxy technologies, expand the range of power conversion, and are expected to gradually increase the production capabilities of GaN power semiconductors under medium and high power operating conditions, which can be further applied in end-user fields such as servers, industrial motors and electric vehicles. The Company's projected 2024 operating goals are as follows:

Unit: Millions

Primary product	2024 projected sales volume
Emission components	7,754
Sensing components	18,967
Total	26,721

(3) Major production & sales policies:

- 1) Sharing the benefits of the production chain, strengthening the inventory management of work in progress and finished products, stabilizing product sales, maintaining the health of the company's capital flow, and ensuring operational needs.
- 2) Extensively collecting new market information, fully communicating with customers on specifications, and strengthening risk assessment and testing during the design stage to reduce the risk of failure caused by poor design, allow new technology products to be launched in advance, and improve profitability.
- 3) Expanding penetration into the wearable market, optimizing product performance and establishing diversified technology platforms for mass production, attracting cooperation from customer industry alliances, and enhancing brand value and product market competitiveness.
- 4) In combination with the ESG strategic direction, a high-frequency, high-voltage, and low-energy device development platform has been developed or the use of recycled materials has been introduced for the development towards key low-carbon emission application fields such as new energy vehicles.

**3. Strategy for future Company development, and influences from external competitive environment, regulatory environment, and overall operating environment**

(1) Strategy for future Company development:

In recent years, the company has been actively moving towards the net-zero carbon emission application market. In addition to continuing with the layout of power devices, it has also expanded the vertical integration of upstream and downstream industrial chains, horizontally integrated manufacturing processes, adopted group division of labor as its development strategy, and successively supported subsidiaries to provide complete industrial supply chain. All members of the group have supported each other to reduce operating costs and provide competitive products. Currently, TASC's D-mode 650V gallium nitride power devices have entered the final stage of verification, and their application areas include machine tools, solar inverters, LED lighting power modules, e-sports NB and other markets. The subsidiary ProAsia is also expected to complete the establishment of 6-inch SiC monthly production capacity of 3,000 pieces in the first quarter of 2024, and accelerate the development and trial production process of the first-generation 1200V SiC power devices. It is actively discussing cooperation and technical exchanges with SiC power device design companies to provide customers with the best and complete high-efficiency power device solutions. According to TrendForce, the SiC power device market output value is expected to reach US\$5.33 billion by 2026. Mainstream applications still rely heavily on electric vehicles and renewable energy. The output value of electric vehicles can reach US\$3.98 billion with a CAGR of approximately 38%; Renewable energy has reached US\$410 million with a CAGR of approximately 19%.

(2) Influences from external competitive environment:

According to reports, due to the sluggish domestic real estate market and overcapacity caused by sluggish consumption in mainland China, the prices of China's export commodities are falling at the fastest speed since 2008. In order to improve the situation, it is expected that mainland China will apply deflation to global exports. Currently, all countries are gearing up to deal with the problem of overcapacity in China. In addition, the decline in Chinese commodity prices will also lead to intensified price competition and pose threats to all walks of life. Facing this challenge, TASC will be more cautious about product layout and development of new products to expand the market, and drive revenue growth via a steady pace.

(3) Influences from the regulatory environment:

With the improvement of the economic environment, people's awareness of health has been

gradually emerged. People's emphasis on health management has extended from symptomatic treatment after the onset of disease to fundamental treatment and prevention before the onset of disease, and then to the pursuit of trend tracking and monitoring. Therefore, they rely on various medical devices equipped with both detection and convenience functions, thus leading to the emergence of non-contact wearable health management devices in recent years. According to the statistics from the National Health Administration, the prevalence of diabetes among Taiwanese people over the age of 18 is as high as 11%, and it is estimated that the number of diabetic patients has exceeded 2.5 million; Due to the relaxation of medical regulations and the frequent injection of blood glucose multiple times a day, manufacturers have been prompted to develop more convenient detection and control methods, thus making smart wearables a market which various manufacturers are actively pursuing. TASC has cooperated with terminal medical equipment suppliers and Taipei Medical University Hospital to integrate advanced optical modules, AI algorithms and big data analysis to move towards non-contact digital blood glucose management. Currently it has made major breakthroughs and entered the IRB animal and human testing stage. It is hoped that samples can be delivered in 2024 to bring new revenue to the company in the future.

(4) Influences from the overall operating environment:

Mainland China, the largest exporter, will begin to export deflation to the world. This will make more and more people choose to delay consumption, thus weakening market demand and further worsening market demand which was seriously damaged by the epidemic. The economy may continue to shrink and form a vicious cycle. Facing this situation, TASC Group will continue to organize the group's division of labor to reduce operating costs, create more competitive products, and actively develop diversified products to seek more opportunities to meet various challenges.

Looking forward to 2024, the semiconductor industry will face the recession of the consumer electronics market in 2023 and the export deflation in mainland China in 2024. TASC will cautiously face all these challenges. Thanks to the support from all employees, customers, suppliers and shareholders, we will adhere to TASC's core values of "study hard, think hard, work hard, and create the world's best products" and continue to create higher profits for the group.

Chairman: H.T.Wang

President: Champion Yi

Chief Accountant: Amy Wu

## **【Audit Committee Report】**

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and the Proposal for profit appropriation. The CPA Chih-Yuan Chen and Tung-Feng Lee from Deloitte & Touche were retained to audit TASC's Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for profit appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of TASC in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

To

General Shareholders Meeting 2024

Taiwan-Asia Semiconductor Corporation

Chair of the Audit Committee:

Tsai Shih-Kuang

Date: April 11th, 2024

## List of Candidates of Directors (Including Independent Directors)

### Nominated by Board of Directors

Title	Name	Education	Experience	Current post	Stock
Director	Tsun-Cheng Investment Co.,Ltd.  Rep. of legal person: Kuo-Kuang Li	<ul style="list-style-type: none"> <li>– PhD degree in International Law, China University of Political Science and Law, Beijing</li> <li>– Graduate Institute of Medical, Taipei Medical University Master's Degree</li> </ul>	<ul style="list-style-type: none"> <li>– Managing Director / Independent Director of Taiwan-Asia Semiconductor Corporation</li> </ul>	<ul style="list-style-type: none"> <li>– Chief Strategy Officer of Taiwan-Asia Semiconductor Corporation</li> <li>– Chairman of Ho Chung Investment Co.,Ltd.</li> <li>– Chairman of Wan Zun Guang Investment Co., Ltd.</li> <li>– Chairman of United-Asia Semiconductor Corporation</li> <li>– Chairman of Gan-Asia Semiconductor Corporation</li> <li>– Director of River Asset Co., LTD.</li> <li>– Director of ProAsia Semiconductor Corporation</li> </ul>	713,000
Director	Tsun-Cheng Investment Co.,Ltd.  Rep. of legal person: Tsun-Chia Tai	<ul style="list-style-type: none"> <li>– Academician of the International Academy of Science and Technology of the Department of Production Science</li> <li>– Bachelor's degree in Ishikawa Prefectural University, Japan</li> </ul>	<ul style="list-style-type: none"> <li>– Director of the Business Division Of Nichia Corporation</li> <li>– Vice President of Nichia Taiwan Corporation</li> <li>– Acting by The Sales Section Chief of Osaka Sales Office of Nichia Corporation</li> <li>– Business Manager of Nichia Shanghai Office</li> <li>– Director of Shenzhen Representative Office of Nichia Taiwan Corporation</li> <li>– Chairman of Nichia Hongkong Corporation</li> <li>– Chief Strategy Officer of Taiwan-Asia Semiconductor Corporation</li> </ul>	<ul style="list-style-type: none"> <li>– Chairman of Nichia ShenZhen Corporation</li> <li>– Chairman Nichia Shanghai Corporation</li> <li>– Director / President of Nichia Taiwan Corporation</li> <li>– Executive Director / Deputy Director of Second Department of Nichia Corporation / Director of the Second Department of Third Business Division.</li> <li>– Vice Chairman of Taiwan-Asia Semiconductor Corporation</li> <li>– Vice Chairperson of the Corporate Sustainability Committee of Taiwan-Asia Semiconductor Corporation</li> <li>– Chairman of TASC Health Care &amp; Charity Foundation</li> </ul>	713,000
Director	Nichia Taiwan Corp.  Rep. of legal person: Ishigami Koji	Dept. of Business and Economics, Div. of Kindai University.	<ul style="list-style-type: none"> <li>– Vice President of Nichia Taiwan Corporation</li> </ul>	<ul style="list-style-type: none"> <li>– Vice President of Nichia Taiwan Corporation</li> <li>– President of Nichia ShenZhen Corporation</li> <li>– President of Nichia Shanghai Corporation</li> </ul>	88,811,822

Title	Name	Education	Experience	Current post	Stock
				<ul style="list-style-type: none"> <li>- Director of Shenzhen Optics innovation vision tech. Co., LTD.</li> <li>- Director of Taiwan-Asia Semiconductor Corporation</li> </ul>	
Director	Tsun-Cheng Investment Co.,Ltd. Rep. of legal person: Yen-Chun Chien	Early Childhood Education Department,Taiwan Shoufu University	<ul style="list-style-type: none"> <li>- Sales Department Secretary of ULVAC TAIWAN INC.</li> </ul>	<ul style="list-style-type: none"> <li>- Assistant Chief of Nichia Taiwan Corporation</li> </ul>	713,000
Independent Director	Tsai Shih-Kuang	<ul style="list-style-type: none"> <li>- Master degree of Accounting, National Taiwan University</li> <li>- Dept. of Accounting, Fu Jen Catholic University</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Tatung System Technologies Inc.</li> <li>- Adjunct Lecturer , Department of Accounting, Ming Chuan University</li> </ul>	<ul style="list-style-type: none"> <li>- Public Accountants of T.K. TSAI &amp; CO.,CPAS</li> <li>- Independent Director of YungShin Global Holding Corporation</li> <li>- Independent Director of Yungshin Pharm Ind. Co. Ltd</li> <li>- Independent Director of Syncmold Enterprise Corp.</li> <li>- Independent Director of AIC Inc.</li> <li>- Supervisor of Zhi-Hang Technology CO. LTD</li> <li>- Independent Director of Taiwan-Asia Semiconductor Corporation</li> </ul>	0
Independent Director	Lai Chen-Tung	<ul style="list-style-type: none"> <li>- Master degree of Forestry and Resources Conservation, National Taiwan University</li> <li>- Dept. of Forestry, Chinese Culture University</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman of the Third Session of Taiwan Patent and Trademark Legal Exchange Association (TPTLA)</li> <li>- Alternate supervisor of the Asian Patent Attorneys Associatio (APAA)</li> <li>- Chief Quality Officer of AIPT Group</li> <li>- Chief of Patent Group II of Intellectual Property Office Ministry(TIPO) of Economic Affairs Intellectual Property</li> <li>- Director of The Food Industry Research and Development Institute(FIRDI)</li> <li>- Group leader of patents of Intellectual Property Office Ministry(TIPO) of Economic Affairs Intellectual Property</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director of Taiwan-Asia Semiconductor Corporation</li> </ul>	0

Title	Name	Education	Experience	Current post	Stock
			<ul style="list-style-type: none"> <li>- Director of China Productivity Center</li> <li>- Deputy Team Leader of patents of Intellectual Property Office Ministry(TIPO) of Economic Affairs Intellectual Property</li> <li>- Chief of Administrative Section, Patent Division, Central Bureau of Standards, Ministry of Economic Affairs (predecessor of Smart Bureau)</li> <li>- Technician, Specialist, Technologist, Section Chief of Central Bureau of Standards of the Ministry of Economic Affairs (predecessor of the Bureau of Wisdom)</li> </ul>		
Independent Director	Wu Chien-Chih	<ul style="list-style-type: none"> <li>- PhD, Institute of Medical Research, Taipei Medical University</li> <li>- Department of Medicine, Taipei Medical College</li> </ul>	<ul style="list-style-type: none"> <li>- Trainee, Department of Urology, First Affiliated Hospital of Nihon Medical University</li> <li>- Trainee, Department of Urology, National Cancer Center, Central Hospital, Japan</li> <li>- Director of Teaching Department of Taipei Medical University Hospital</li> <li>- Director, Medical Simulation Education Center, Academic Affairs Office, Taipei Medical University</li> <li>- Deputy Provost, Academic Affairs Office, Taipei Medical University</li> <li>- Director, Faculty Development Center, Academic Affairs Office, Taipei Medical University</li> <li>- Director, Department of Medical Education and Humanities, Department of Medicine, Taipei Medical University</li> </ul>	<ul style="list-style-type: none"> <li>- Associate Dean / Chair of the Department of Medicine, Taipei Medical University</li> <li>- Professor Department of Medical Education and Humanities, Taipei Medical University</li> <li>- Attending physician in the Department of Urology, Taipei Medical University Hospital</li> <li>- Independent Director of Taiwan-Asia Semiconductor Corporation</li> </ul>	15,000



**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Taiwan-Asia Semiconductor Corporation  
(Formerly named Opto Tech Corporation)

**Opinion**

We have audited the accompanying consolidated financial statements of Taiwan-Asia Semiconductor Corporation (formerly named Opto Tech Corporation) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. Therefore, we do not provide a separate opinion on these matters.

The key audit matter of the Group’s consolidated financial statements for the year ended December 31, 2023 is described as follows:

**The Occurrence of Operating Revenue**

The Group is engaged in the manufacture and sale of semiconductor components as well as research and development, design, manufacture and sale of systems products. Sales revenue from customers accounted for a significant proportion of the total operating revenue in 2023. The sales revenue of significant customers was deemed a key audit matter. Refer to Notes 4 and 23 to the Group’s consolidated financial statements for the related revenue recognition policies and information.

The audit procedures performed in response to the abovementioned key audit matter were as follows:

1. We obtained a thorough understanding of the Group’s policies on recognizing sales revenue, evaluated the design of the internal controls related to the occurrence of sales revenue, and determined whether the controls had been implemented.
2. We performed detailed verification tests on the selected samples of sales revenue, and we checked

transaction vouchers, subsequent collections, as well as future sales returns and confirmed the occurrence of sales revenue.

3. We performed the relevant transaction procedures for the sales returns of significant customers.

### **Other Matter**

We did not audit the financial statements of certain investees of the Corporation as of and for the years ended December 31, 2023 and 2022, which were reflected in the accompanying financial statements using the equity method of accounting, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Corporation's financial statements for such investments, is based solely on the reports of other auditors. The aforementioned equity-method investments that were not audited by the auditor amounted to NT\$63,987 thousand and NT\$61,690 thousand as of December 31, 2023 and 2022, which represented 0.51% and 0.58% of the Corporation's total assets. The Corporation's share of the comprehensive income (loss) of such associates amounted to NT\$1,355 thousand and NT\$(6,996) thousand for the years ended December 31, 2023 and 2022, which represented 0.49% and (8.42%) of the Corporation's total comprehensive income.

We have also audited the parent company only financial statements of Taiwan-Asia Semiconductor Corporation (formerly named Opto Tech Corporation) as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yuan Chen and Tung-Feng Lee.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 27, 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 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 independent auditors' report and consolidated financial statements shall prevail.*

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
(Formerly Named Opto Tech Corporation)

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 1,994,383	16	\$ 3,014,578	29
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	92,273	1	65,175	1
Financial assets at amortized cost - current (Notes 9 and 32)	23,360	-	120,666	1
Contract assets - current (Note 23)	1,700	-	2,883	-
Notes receivable (Note 23)	1,171	-	1,642	-
Trade receivables (Notes 10 and 23)	1,177,915	9	782,722	7
Trade receivables from related parties (Notes 23 and 31)	23,976	-	16,433	-
Other receivables (Note 31)	14,417	-	15,131	-
Inventories (Note 11)	1,348,681	11	1,248,748	12
Other current assets (Notes 25 and 31)	<u>126,634</u>	<u>1</u>	<u>77,439</u>	<u>1</u>
Total current assets	<u>4,804,510</u>	<u>38</u>	<u>5,345,417</u>	<u>51</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	20,000	-	109,096	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	1,110,803	9	1,069,816	10
Investments accounted for using the equity method (Note 13)	63,987	1	61,690	1
Contract assets - non-current (Note 23)	2,619	-	4,319	-
Property, plant and equipment (Notes 14 and 31)	5,384,198	43	2,661,914	25
Right-of-use assets (Note 15)	210,813	2	202,218	2
Investment properties (Note 16)	399,307	3	399,307	4
Intangible assets (Note 17)	35,378	-	19,009	-
Deferred tax assets (Notes 4 and 25)	57,912	1	24,400	-
Prepayment for equipment (Note 31)	371,620	3	621,506	6
Other non-current assets	<u>30,782</u>	<u>-</u>	<u>36,115</u>	<u>-</u>
Total non-current assets	<u>7,687,419</u>	<u>62</u>	<u>5,209,390</u>	<u>49</u>
<b>TOTAL</b>	<u>\$12,491,929</u>	<u>100</u>	<u>\$10,554,807</u>	<u>100</u>

(Continued)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
(Formerly Named Opto Tech Corporation)

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 18)	\$ 390,000	3	\$ 137,196	1
Contract liabilities - current (Note 23)	97,936	1	213,295	2
Trade payables	536,764	4	432,446	4
Trade payables to related parties (Note 31)	39,441	1	36,162	-
Other payables (Note 19)	817,715	7	587,892	6
Other payables to related parties (Note 31)	23,332	-	-	-
Current tax liabilities (Notes 4 and 25)	25,150	-	98,351	1
Provisions - current (Note 20)	2,651	-	1,210	-
Lease liabilities - current (Notes 15 and 31)	23,197	-	17,195	-
Current portion of long-term liabilities (Note 18)	25,695	-	-	-
Other current liabilities	5,638	-	5,007	-
Total current liabilities	<u>1,987,519</u>	<u>16</u>	<u>1,528,754</u>	<u>14</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 18)	1,669,961	13	195,695	2
Provisions - non-current (Note 20)	19,758	-	24,505	-
Deferred tax liabilities (Notes 4 and 25)	25,061	-	50,475	-
Lease liabilities - non-current (Notes 15 and 31)	195,967	2	189,330	2
Net defined benefit liability - non-current (Notes 4 and 21)	67,004	1	54,591	1
Deferred revenue - non-current (Note 28)	23,230	-	-	-
Other non-current liabilities	5,309	-	2,063	-
Total non-current liabilities	<u>2,006,290</u>	<u>16</u>	<u>516,659</u>	<u>5</u>
Total liabilities	<u>3,993,809</u>	<u>32</u>	<u>2,045,413</u>	<u>19</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Ordinary shares	4,386,228	35	4,386,228	42
Capital surplus	1,475,787	12	1,507,368	14
Retained earnings				
Legal reserve	916,235	7	872,379	8
Unappropriated earnings	1,503,798	12	1,684,760	16
Total retained earnings	<u>2,420,033</u>	<u>19</u>	<u>2,557,139</u>	<u>24</u>
Other equity	61,632	1	82,829	1
Treasury shares	(23,172 )	-	(24,170 )	-
Total equity attributable to owners of the Company	8,320,508	67	8,509,394	81
<b>NON-CONTROLLING INTERESTS</b>	177,612	1	-	-
Total equity	<u>8,498,120</u>	<u>68</u>	<u>8,509,394</u>	<u>81</u>
<b>TOTAL</b>	<u>\$12,491,929</u>	<u>100</u>	<u>\$10,554,807</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
**(Formerly Named Opto Tech Corporation)**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 23 and 31)	\$3,972,279	100	\$4,529,777	100
OPERATING COSTS (Notes 11, 24 and 31)	<u>3,041,848</u>	<u>77</u>	<u>3,315,399</u>	<u>73</u>
GROSS PROFIT	<u>930,431</u>	<u>23</u>	<u>1,214,378</u>	<u>27</u>
OPERATING EXPENSES (Notes 10, 24, 27 and 31)				
Selling and marketing expenses	120,172	3	106,214	2
General and administrative expenses	497,646	12	573,562	13
Research and development expenses	231,231	6	143,734	3
Expected credit loss on trade receivables	<u>2,701</u>	<u>-</u>	<u>7,798</u>	<u>-</u>
Total operating expenses	<u>851,750</u>	<u>21</u>	<u>831,308</u>	<u>18</u>
PROFIT FROM OPERATIONS	<u>78,681</u>	<u>2</u>	<u>383,070</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24 and 31)				
Interest income	33,948	1	15,566	-
Other income	35,589	1	30,589	-
Other gains and losses	175,258	4	34,534	1
Finance costs	(19,520)	-	(11,491)	-
Share of profit or loss of subsidiaries and associates	<u>(3,521)</u>	<u>-</u>	<u>(5,492)</u>	<u>-</u>
Total non-operating income	<u>221,754</u>	<u>6</u>	<u>63,706</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	300,435	8	446,776	10
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 25)	<u>3,466</u>	<u>-</u>	<u>(86,312)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>303,901</u>	<u>8</u>	<u>360,464</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(7,238)	-	97,517	2

(Continued)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
**(Formerly Named Opto Tech Corporation)**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ (49,012)	(1)	\$ (338,339)	(7)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	4,886	-	(1,516)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>27,637</u>	<u>-</u>	<u>(36,646)</u>	<u>(1)</u>
	<u>(23,727)</u>	<u>(1)</u>	<u>(278,984)</u>	<u>(6)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(2,246)	-	1,556	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>(10)</u>	<u>-</u>	<u>12</u>	<u>-</u>
	<u>(2,256)</u>	<u>-</u>	<u>1,568</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(25,983)</u>	<u>(1)</u>	<u>(277,416)</u>	<u>(6)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 277,918</u>	<u>7</u>	<u>\$ 83,048</u>	<u>2</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 307,212	8	\$ 360,465	8
Non-controlling interests	<u>(3,311)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
	<u>\$ 303,901</u>	<u>8</u>	<u>\$ 360,464</u>	<u>8</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 281,229	7	\$ 83,049	2
Non-controlling interests	<u>(3,311)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
	<u>\$ 277,918</u>	<u>7</u>	<u>\$ 83,048</u>	<u>2</u>
<b>EARNINGS PER SHARE (Note 26)</b>				
Basic	<u>\$ 0.70</u>		<u>\$ 0.82</u>	
Diluted	<u>\$ 0.70</u>		<u>\$ 0.82</u>	

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)



TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES  
(Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company (Notes 22 and 27)													
								Other Equity						
	Ordinary Shares		Retained Earnings					Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss (Gain) on Financial Assets at Fair Value Through Other	Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total							Total Equity
BALANCE, JANUARY 1, 2022	438,623	\$ 4,386,228	\$ 1,489,822	\$ 786,944	\$ 2,423	\$ 2,645,077	\$ 3,434,444	\$ 688	\$ 437,656	\$ 438,344	\$ (54,954)	\$9,693,884	\$ 3,634	\$ 9,697,518
Appropriation of the 2021 earnings														
Legal reserve	-	-	-	85,435	-	(85,435)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(2,423)	2,423	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,315,869)	(1,315,869)	-	-	-	-	(1,315,869)	-	(1,315,869)
	-	-	-	85,435	(2,423)	(1,398,881)	(1,315,869)	-	-	-	-	(1,315,869)	-	(1,315,869)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	608	-	-	-	-	-	-	-	-	608	-	608
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	360,465	360,465	-	-	-	-	360,465	(1)	360,464
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	78,099	78,099	1,568	(357,083)	(355,515)	-	(277,416)	-	(277,416)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	438,564	438,564	1,568	(357,083)	(355,515)	-	83,049	(1)	83,048
Treasury shares transferred to employees	-	-	17,354	-	-	-	-	-	-	-	30,784	48,138	-	48,138
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	2,264	-	-	-	-	-	-	-	-	2,264	-	2,264
Disposals of investments accounted for using the equity method	-	-	(5,112)	-	-	-	-	-	-	-	-	(5,112)	(3,633)	(8,745)
Changes in percentage of ownership interests in subsidiaries	-	-	2,432	-	-	-	-	-	-	-	-	2,432	-	2,432
BALANCE, DECEMBER 31, 2022	438,623	4,386,228	1,507,368	872,379	-	1,684,760	2,557,139	2,256	80,573	82,829	(24,170)	8,509,394	-	8,509,394
Appropriation of the 2022 earnings														
Legal reserve	-	-	-	43,856	-	(43,856)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(438,623)	(438,623)	-	-	-	-	(438,623)	-	(438,623)
	-	-	-	43,856	-	(482,479)	(438,623)	-	-	-	-	(438,623)	-	(438,623)
Other changes in capital surplus:														
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	2,849	-	-	(909)	(909)	-	-	-	-	1,940	-	1,940
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	307,212	307,212	-	-	-	-	307,212	(3,311)	303,901
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(5,791)	(5,791)	(2,256)	(17,936)	(20,192)	-	(25,983)	-	(25,983)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	301,421	301,421	(2,256)	(17,936)	(20,192)	-	281,229	(3,311)	277,918
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	1,005	1,005	-	(1,005)	(1,005)	-	-	-	-
Treasury shares transferred to employees	-	-	114	-	-	-	-	-	-	-	998	1,112	-	1,112
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	755	-	-	-	-	-	-	-	-	755	-	755
Changes in percentage of ownership interests in subsidiaries	-	-	(35,299)	-	-	-	-	-	-	-	-	(35,299)	180,923	145,624
BALANCE, DECEMBER 31, 2023	438,623	\$ 4,386,228	\$ 1,475,787	\$ 916,235	\$ -	\$ 1,503,798	\$ 2,420,033	\$ -	\$ 61,632	\$ 61,632	\$ (23,172)	\$8,320,508	\$ 177,612	\$ 8,498,120

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
**(Formerly Named Opto Tech Corporation)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 300,435	\$ 446,776
Adjustments for:		
Depreciation expenses	491,283	422,209
Amortization expenses	22,567	18,365
Expected credit loss recognized on trade receivables	2,701	7,798
(Gain) loss on fair value change of financial assets and liabilities at fair value through profit or loss	(92,433)	59,993
Interest expenses	19,516	11,431
Interest income	(33,948)	(15,566)
Dividend income	(26,656)	(23,903)
Compensation cost of employee share options	11,187	31,818
Share of loss of associates accounted for using the equity method	3,521	5,492
Gain on disposal of property, plant and equipment	(1,562)	(4,669)
Gain on disposal of investment	(88,567)	(15,953)
Gain on changes in lease term	-	(31)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit	-	600,552
Contract assets	2,883	(2,808)
Notes receivable	471	3,241
Trade receivables	(432,308)	475,970
Trade receivables from related parties	(7,543)	(1,418)
Other receivables	74	879
Inventories	(121,808)	21,245
Other current assets	(55,049)	26,951
Other non-current assets	1,718	6,771
Contract liabilities	(111,322)	129,684
Trade payables	136,107	(350,679)
Trade payables to related parties	3,279	(24,337)
Other payables	325,832	(178,151)
Other payables to related parties	23,332	-
Provisions	(3,306)	(184)
Other current liabilities	924	(2,051)
Net defined benefit liabilities	5,175	4,908
Cash generated from operations	376,503	1,654,333
Interest received	34,588	15,306
Dividend received	27,656	23,903
Interest paid	(20,431)	(11,096)
Income tax paid	(101,028)	(172,161)
Net cash generated from operating activities	317,288	1,510,285

(Continued)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
**(Formerly Named Opto Tech Corporation)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (90,000)	\$ (370,936)
Purchase of financial assets at amortized cost	(90)	(20,017)
Proceeds from recovery of financial assets at amortized cost on maturity	97,396	720,136
Purchase of financial assets at fair value through profit or loss	(20,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	174,431	-
Net cash inflow on disposal of subsidiary	66,458	7,074
Payments for property, plant and equipment	(2,949,041)	(396,501)
Proceeds from disposal of property, plant and equipment	1,581	4,708
(Increase) decrease in refundable deposits	3,920	(8,915)
Payments for intangible assets	(23,223)	(23,334)
Payments for equipment increase	<u>(117,298)</u>	<u>(549,356)</u>
Net cash used in investing activities	<u>(2,855,866)</u>	<u>(637,141)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	252,804	(196,851)
Proceeds from (repayment of) long-term borrowings	1,518,219	195,695
Increase (decrease) in guarantee deposits	3,246	(917)
Payment of the principal portion of lease liabilities	(20,871)	(18,932)
Payment of dividends	(437,868)	(1,313,605)
Treasury shares transferred to employees	530	16,320
Changes in non-controlling interest	<u>202,500</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>1,518,560</u>	<u>(1,318,290)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(177)</u>	<u>(7,687)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,020,195)	(452,833)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>3,014,578</u>	<u>3,467,411</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 1,994,383</u>	<u>\$ 3,014,578</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Taiwan-Asia Semiconductor Corporation  
(Formerly named Opto Tech Corporation)

### Opinion

We have audited the accompanying financial statements of Taiwan-Asia Semiconductor Corporation (formerly named Opto Tech Corporation) (the "Corporation"), which comprise the balance sheet as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, based on our audit and the reports of other auditors (refer to the other matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's financial statements for the year ended December 31, 2023 is described as follows:

#### The Occurrence of Operating Revenue

The Corporation is engaged in the manufacture and sale of semiconductor components as well as research and development, design, manufacture and sale of systems products. Sales revenue from customers accounted for a significant proportion of the total operating revenue in 2023. The sales revenue of significant customers was deemed a key audit matter. Refer to Notes 4 and 22 to the Corporation's financial statements for the related revenue recognition policies and information.

The audit procedures performed in response to the abovementioned key audit matter were as follows:

1. We obtained a thorough understanding of the Corporation's policies on recognizing sales revenue, evaluated the design of the internal controls related to the occurrence of sales revenue, and determined whether the controls had been implemented.
2. We performed detailed verification tests on the selected samples of sales revenue, and we checked transaction vouchers, subsequent collections, as well as future sales returns and confirmed the occurrence of sales revenue.

3. We performed the relevant transaction procedures for the sales returns of significant customers.

### **Other Matter**

We did not audit the financial statements of certain investees of the Corporation as of and for the years ended December 31, 2023 and 2022, which were reflected in the accompanying financial statements using the equity method of accounting, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Corporation's financial statements for such investments, is based solely on the reports of other auditors. The aforementioned equity-method investments that were not audited by the auditor amounted to NT\$12,797 thousand and NT\$12,338 thousand as of December 31, 2023 and 2022, which represented 0.12% and 0.13% of the Corporation's total assets. The Corporation's share of the comprehensive income (loss) of such associates amounted to NT\$271 thousand and NT\$(1,399) thousand for the years ended December 31, 2023 and 2022, which represented 0.10% and (1.68%) of the Corporation's total comprehensive income.

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

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

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

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

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

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

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

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

or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yuan Chen and Tung-Feng Lee.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 27, 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 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 independent auditors' report and financial statements shall prevail.*

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION****(Formerly Named Opto Tech Corporation)****BALANCE SHEETS****DECEMBER 31, 2023 AND 2022****(In Thousands of New Taiwan Dollars)**

<b>ASSETS</b>	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$1,096,542	10	\$1,767,703	18
Financial assets at fair value through profit or loss - current (Note 7)	20,577	-	20,329	-
Current financial assets at amortized cost (Notes 9 and 31)	22,810	-	120,206	1
Notes receivable (Note 22)	1,171	-	1,642	-
Trade receivables (Notes 10 and 22)	1,043,118	10	707,162	7
Trade receivables from related parties (Notes 22 and 30)	23,976	-	16,433	-
Other receivables (Note 30)	16,110	-	11,172	-
Inventories (Note 11)	1,204,555	12	1,028,746	11
Other current assets	<u>77,931</u>	<u>1</u>	<u>62,038</u>	<u>1</u>
Total current assets	<u>3,506,790</u>	<u>33</u>	<u>3,735,431</u>	<u>38</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Note 7)	-	-	109,096	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	906,404	8	916,040	9
Investments accounted for using the equity method (Note 12)	2,107,024	20	1,708,388	18
Property, plant and equipment (Notes 13 and 30)	3,360,570	31	2,508,190	26
Right-of-use assets (Note 14)	185,524	2	198,474	2
Investment properties (Note 15)	399,307	4	399,307	4
Intangible assets (Note 16)	16,259	-	17,910	-
Deferred tax assets (Note 24)	48,551	-	18,292	-
Prepayment for equipment (Note 30)	176,384	2	135,691	2
Other non-current assets	<u>17,959</u>	<u>-</u>	<u>23,962</u>	<u>-</u>
Total non-current assets	<u>7,217,982</u>	<u>67</u>	<u>6,035,350</u>	<u>62</u>
<b>TOTAL</b>	<u>\$10,724,772</u>	<u>100</u>	<u>\$9,770,781</u>	<u>100</u>

(Continued)



**TAIWAN-ASIA SEMICONDUCTOR CORPORATION**  
(Formerly Named Opto Tech Corporation)

**BALANCE SHEETS**

**DECEMBER 31, 2023 AND 2022**

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 17)	\$ 390,000	4	\$ 137,196	1
Contract liabilities - current (Note 22)	2,260	-	2,396	-
Trade payables	427,935	4	267,470	3
Trade payables to related parties (Note 30)	7,871	-	19,753	-
Other payables (Note 18)	533,411	5	439,577	5
Other payables to related parties (Note 30)	26,332	-	-	-
Current tax liabilities (Note 24)	17,646	-	77,420	1
Provisions - current (Note 19)	544	-	352	-
Lease liabilities - current (Note 14)	17,631	-	16,909	-
Other current liabilities	4,451	-	3,873	-
Total current liabilities	<u>1,428,081</u>	<u>13</u>	<u>964,946</u>	<u>10</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 17 and 27)	698,198	6	-	-
Provisions - non-current (Note 19)	795	-	414	-
Deferred tax liabilities (Note 24)	24,216	-	50,406	-
Lease liabilities - non-current (Note 14)	176,066	2	189,017	2
Net defined benefit liabilities - non-current (Note 20)	67,004	1	54,591	1
Deferred revenue - non-current (Note 27)	4,609	-	-	-
Other non-current liabilities	5,295	-	2,013	-
Total non-current liabilities	<u>976,183</u>	<u>9</u>	<u>296,441</u>	<u>3</u>
Total liabilities	<u>2,404,264</u>	<u>22</u>	<u>1,261,387</u>	<u>13</u>
<b>EQUITY</b>				
Ordinary shares	4,386,228	41	4,386,228	45
Capital surplus	1,475,787	14	1,507,368	15
Retained earnings				
Legal reserve	916,235	8	872,379	9
Unappropriated earnings	1,503,798	14	1,684,760	17
Total retained earnings	2,420,033	22	2,557,139	26
Other equity	61,632	1	82,829	1
Treasury stocks	(23,172)	-	(24,170)	-
Total equity	<u>8,320,508</u>	<u>78</u>	<u>8,509,394</u>	<u>87</u>
<b>TOTAL</b>	<u>\$10,724,772</u>	<u>100</u>	<u>\$9,770,781</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION**  
**(Formerly Named Opto Tech Corporation)**

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 22 and 30)	\$ 3,224,871	100	\$ 3,569,717	100
OPERATING COSTS (Notes 11, 23 and 30)	<u>2,528,852</u>	<u>78</u>	<u>2,583,719</u>	<u>72</u>
GROSS PROFIT	696,019	22	985,998	28
UNREALIZED PROFIT FROM SALES	-	-	(84)	-
REALIZED PROFIT SALES	<u>84</u>	<u>-</u>	<u>441</u>	<u>-</u>
NET OPERATING MARGIN	<u>696,103</u>	<u>22</u>	<u>986,355</u>	<u>28</u>
OPERATING EXPENSES (Notes 10, 23 and 30)				
Selling and marketing expenses	78,032	3	71,304	2
General and administrative expenses	390,144	12	474,803	13
Research and development expenses	142,212	4	89,182	3
Expected credit loss (gain) reversed on trade receivables	<u>(83)</u>	<u>-</u>	<u>7,609</u>	<u>-</u>
Total operating expenses	<u>610,305</u>	<u>19</u>	<u>642,898</u>	<u>18</u>
PROFIT FROM OPERATIONS	<u>85,798</u>	<u>3</u>	<u>343,457</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	20,954	-	12,398	-
Other income (Notes 23 and 30)	54,336	2	40,882	1
Other gains and losses (Note 23)	50,558	1	81,784	2
Finance costs (Notes 23 and 30)	(11,242)	-	(7,637)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method (Note 12)	<u>87,362</u>	<u>3</u>	<u>(39,098)</u>	<u>(1)</u>
Total non-operating income	<u>201,968</u>	<u>6</u>	<u>88,329</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	287,766	9	431,786	12
INCOME TAX (BENEFIT) EXPENSE (Note 24)	<u>(19,446)</u>	<u>(1)</u>	<u>71,321</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>307,212</u>	<u>10</u>	<u>360,465</u>	<u>10</u>

(Continued)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION**  
(Formerly Named Opto Tech Corporation)

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	\$ (7,238)	-	\$ 97,517	3
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(99,636)	(3)	(196,178)	(6)
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	55,510	1	(143,677)	(4)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	<u>27,637</u>	<u>1</u>	<u>(36,646)</u>	<u>(1)</u>
	<u>(23,727)</u>	<u>(1)</u>	<u>(278,984)</u>	<u>(8)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(2,246)	-	1,556	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>(10)</u>	<u>-</u>	<u>12</u>	<u>-</u>
	<u>(2,256)</u>	<u>-</u>	<u>1,568</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(25,983)</u>	<u>(1)</u>	<u>(277,416)</u>	<u>(8)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 281,229</u>	<u>9</u>	<u>\$ 83,049</u>	<u>2</u>
<b>EARNINGS PER SHARE (Note 25)</b>				
Basic	<u>\$ 0.70</u>		<u>\$ 0.82</u>	
Diluted	<u>\$ 0.70</u>		<u>\$ 0.82</u>	

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION  
(Formerly Named Opto Tech Corporation)

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Note 21)		Retained Earnings (Note 21)					Other Equity (Note 21)				
	Shares (In Thousands)	Amount	Capital Surplus (Note 21)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss (Gain) on Financial Assets at Fair Value Through Other  Comprehensive Income	Total	Treasury Stocks (Note 21)	Total Equity
BALANCE, JANUARY 1, 2022	438,623	\$4,386,228	\$1,489,822	\$ 786,944	\$ 2,423	\$2,645,077	\$3,434,444	\$ 688	\$ 437,656	\$ 438,344	\$ (54,954)	\$9,693,884
Appropriation of the 2021 earnings												
Legal reserve	-	-	-	85,435	-	(85,435)	-	-	-	-	-	-
Special reverse	-	-	-	-	(2,423)	2,423	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,315,869)	(1,315,869)	-	-	-	-	(1,315,869)
	-	-	-	85,435	(2,423)	(1,398,881)	(1,315,869)	-	-	-	-	(1,315,869)
Change in capital surplus from investment in associates accounted for using the equity method	-	-	608	-	-	-	-	-	-	-	-	608
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	360,465	360,465	-	-	-	-	360,465
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	78,099	78,099	1,568	(357,083)	(355,515)	-	(277,416)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	438,564	438,564	1,568	(357,083)	(355,515)	-	83,049
Treasury shares transferred to employees	-	-	17,354	-	-	-	-	-	-	-	30,784	48,138
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	2,264	-	-	-	-	-	-	-	-	2,264
Disposals of investments accounted for using the equity method	-	-	(5,112)	-	-	-	-	-	-	-	-	(5,112)
Changes in percentage of ownership interests in subsidiaries	-	-	2,432	-	-	-	-	-	-	-	-	2,432
BALANCE, DECEMBER 31, 2022	438,623	4,386,228	1,507,368	872,379	-	1,684,760	2,557,139	2,256	80,573	82,829	(24,170)	8,509,394
Appropriation of the 2022 earnings												
Legal reserve	-	-	-	43,856	-	(43,856)	-	-	-	-	-	-
Special reverse	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(438,623)	(438,623)	-	-	-	-	(438,623)
	-	-	-	43,856	-	(482,479)	(438,623)	-	-	-	-	(438,623)
Other changes in capital surplus:												
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	2,849	-	-	(909)	(909)	-	-	-	-	1,940
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	307,212	307,212	-	-	-	-	307,212
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(5,791)	(5,791)	(2,256)	(17,936)	(20,192)	-	(25,983)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	301,421	301,421	(2,256)	(17,936)	(20,192)	-	281,229
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	1,005	1,005	-	(1,005)	(1,005)	-	-
Treasury shares transferred to employees	-	-	114	-	-	-	-	-	-	-	998	1,112
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	755	-	-	-	-	-	-	-	-	755
Changes in percentage of ownership interests in subsidiaries	-	-	(35,299)	-	-	-	-	-	-	-	-	(35,299)
BALANCE, DECEMBER 31, 2023	\$ 438,623	\$4,386,228	\$1,475,787	\$ 916,235	\$ -	\$1,503,798	\$2,420,033	\$ -	\$ 61,632	\$ 61,632	\$ (23,172)	\$8,320,508

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION**  
**(Formerly Named Opto Tech Corporation)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 287,766	\$ 431,786
Adjustments for:		
Depreciation expense	470,155	392,301
Amortization expense	19,658	17,560
Expected credit (gain) loss on trade receivables	(83)	7,609
(Gain) loss on fair value change of financial assets and liabilities at fair value through profit or loss	(65,583)	9,492
Interest expense	11,242	7,637
Interest income	(20,954)	(12,398)
Dividend income	(25,889)	(21,331)
Compensation cost of employee share options	582	31,818
Share of profit of subsidiaries and associates accounted for using the equity method	(87,362)	39,098
Gain on disposal of property, plant and equipment	(1,581)	(4,669)
Gain loss on disposal of investment	(458)	(15,953)
Unrealized sales profit	-	84
Realized sales profit	(84)	(441)
Gain on lease termination	-	(31)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit	-	552,826
Notes receivable	471	3,241
Trade receivables	(335,873)	419,946
Trade receivables from related parties	(7,543)	2,629
Other receivables	(5,701)	4,354
Inventories	(175,809)	14,719
Other current assets	(15,893)	23,683
Other non-current assets	1,959	4,025
Contract liabilities	(136)	24,058
Trade payables	160,465	(406,273)
Trade payables to related parties	(11,882)	(41,471)
Other payables	93,783	(303,337)
Other payables to related parties	26,332	-
Provisions	573	160
Other current liabilities	578	(2,815)
Net defined benefit liabilities	5,175	4,908
Cash generated from operations	323,908	1,183,215
Interest received	21,717	12,611
Dividends received	76,339	45,766
Interest paid	(14,466)	(7,237)
Income tax paid	(69,140)	(168,054)
Net cash generated from operating activities	338,358	1,066,301

(Continued)

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION**  
**(Formerly Named Opto Tech Corporation)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive	\$ (90,000)	\$ (75,000)
Purchase of financial assets at amortized cost	-	(19,557)
Disposal of financial assets at amortized cost	97,396	720,136
Proceeds from disposal of financial assets at fair value through profit or loss	174,431	-
Acquisition of investments accounted for using equity method	(470,000)	(1,137,012)
Disposal of long-term equity investments under the equity method	129,468	-
Net cash generated from disposal of subsidiaries	-	152,092
Acquisition of property, plant and equipment	(1,300,704)	(377,639)
Proceeds from disposal of property, plant and equipment	1,581	4,708
(Increase) decrease in refundable deposits	4,044	(548)
Acquisition of intangible assets	(12,657)	(22,641)
Payments for equipment	(45,248)	(63,541)
Net cash outflow on segmentation	<u>-</u>	<u>(69,422)</u>
Net cash used in investing activities	<u>(1,511,689)</u>	<u>(888,424)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	252,804	(108,171)
Proceeds from long-term borrowings	702,188	-
Increase (decrease) in guarantee deposits	3,282	(924)
Payment of the principal portion of lease liabilities	(18,011)	(18,671)
Dividends paid	(438,623)	(1,315,869)
Treasury shares transferred to employees	<u>530</u>	<u>16,320</u>
Net cash generated from (used in) financing activities	<u>502,170</u>	<u>(1,427,315)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(671,161)</b>	<b>(1,249,438)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>1,767,703</b></u>	<u><b>3,017,141</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 1,096,542</b></u>	<u><b>\$ 1,767,703</b></u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

# Taiwan-Asia Semiconductor Corporation

## Earnings Distribution Statement of 2023

Unit: NTD

Item	Amount
Last undistributed earnings	1,202,280,729
Plus: Current net profit after tax	307,212,419
Current actuarial gains and losses	(5,790,506)
Disposal of equity instrument measured at fair value through OCI	96,488
Sub-total	301,518,401
Less: 10 % of Legal reserve appropriated	(30,151,840)
Plus: Reversal for special reserve	0
Current distributable earnings	1,473,647,290
Distributions:	
Shareholder dividends – stock	0
Shareholder dividends – cash	(219,311,423)
Undistributed earnings - ending	1,254,335,867

## List of Non-Competition Obligation of Candidates of Directors

Title	Name	Released restriction	Establishment location
Director	Tsun-Cheng Investment Co.,Ltd.  Rep. of legal person: Kuo-Kuang Li	Chairman of Ho Chung Investment Co.,Ltd.	R.O.C.
		Chairman of Wan Zun Guang Investment Co., Ltd.	R.O.C.
		Chairman of United-Asia Semiconductor Corporation	R.O.C.
		Chairman of Gan-Asia Semiconductor Corporation	R.O.C.
		Director of River Asset Co., LTD.	R.O.C.
		Director of ProAsia Semiconductor Corporation	R.O.C.
Director	Tsun-Cheng Investment Co.,Ltd.  Rep. of legal person: Tsun-Chia Tai	Chairman of Nichia ShenZhen Corporation	P.R.C.
		Chairman of Nichia Shanghai Corporation	P.R.C.
		Director / President of Nichia Taiwan Corporation	R.O.C.
		Executive Director / Deputy Director of Second Department / Director of the Second Department of Third Business Division of Nichia Corporation.	Japan
Director	Nichia Taiwan Corporation	Manufacturing and sales of various phosphors Manufacturing and sales of lighting equipment and lighting materials Manufacturing and sales of semiconductors General import and export trade business (except licensing business)	R.O.C.
Director	Nichia Taiwan Corp.  Rep. of legal person: Ishigami Koji	Vice President of Nichia Taiwan Corporation	R.O.C.
		President of Nichia ShenZhen Corporation	P.R.C.
		President of Nichia Shanghai Corporation	P.R.C.
		Director of Shenzhen Optics Innovation Vision Tech. Co., LTD.	P.R.C.
Director	Tsun-Cheng Investment Co.,Ltd.  Rep. of legal person: Yen-Chun Chien	Assistant Chief of Nichia Taiwan Corporation	R.O.C.
Independent Director	Tsai Shih-Kuang	Independent Director of YungShin Global Holding Corporation	R.O.C.
		Independent Director of Yungshin Pharm Ind. Co. Ltd	R.O.C.
		Independent Director of Syncmold Enterprise Corp.	R.O.C.
		Independent Director of AIC Inc.	R.O.C.
		Supervisor of Zhi-Hang Technology CO. LTD	R.O.C.



# **Taiwan-Asia Semiconductor Corporation**

## **Gan-Asia Semiconductor Corporation**

### **Demerger Proposal**

Taiwan-Asia Semiconductor Corporation (hereinafter referred to as "Taiwan-Asia Semiconductor Corporation" is proposed) plans to transfer its "200mm GaN Product Business Group" related businesses (including assets, liabilities and operations) to its existing wholly owned subsidiary, Gan-Asia Semiconductor Corporation (hereinafter referred to as "Gan-Asia Semiconductor Corporation"), in order to implement professional division of labor and improve the overall business performance and market competitiveness of the Group. Gan-Asia Semiconductor Corporation shall issue new shares as payment to Taiwan-Asia Semiconductor Corporation for the assumption of such businesses (hereinafter referred to as the "Split Case"). In accordance with the Corporate Mergers and Acquisitions Act, the Company Act and other related laws and regulations, the split plan (hereinafter referred to as the Plan) was established and is as follows:

#### **Article 1 Split method and companies participating in the split**

The Split Case is handled in accordance with Article 35 of the Business Mergers and Acquisitions Act, and the method of division between the parent company and its surviving subsidiary is adopted. That is, Taiwan-Asia Semiconductor Corporation shall, on the split reference date, transfer relevant businesses (including assets, liabilities and operations) of the "200mm GaN Product Business Group" to the existing Gan-Asia Semiconductor Corporation for general assumption; meanwhile, Gan-Asia Semiconductor Corporation shall issue new shares as payment to Taiwan-Asia Semiconductor Corporation for the assumption of such businesses. Companies participating in the Split Case are as follows:

Company to be split: Taiwan-Asia Semiconductor Corporation

Existing companies handling the business: Gan-Asia Semiconductor Corporation

#### **Article 2 Alterations made to the Articles of Incorporation of the assuming existing company**

Please see Appendix 1 for details of the Articles of Incorporation of Gan-Asia Semiconductor Corporation.

#### **Article 3 Business scope, business value, assets and liabilities transferred by Opto Tech**

##### **1 、 Business scope transferred in the split:**

- A. Operations of the "200mm GaN Product Business Group".
- B. The inventory, bank savings, accounts receivable, and other related assets (including tangible and intangible assets) required by the "200mm GaN Product Business Group" and related liabilities.
- C. Contracts related to the "200mm GaN Product Business Group" (including but not limited to: supply contracts, sales contracts, technology authorization contracts, technical service contracts, loan contracts and other related contracts), litigations, legal relationships, legal address, licenses, approvals and related equity. In the event that transfer of the contract requires the approval of the parties to the original contract, the transfer can only take effect after such approval has been obtained.
- D. Considering the fact that Taiwan-Asia Semiconductor Corporation will continue to engage in the "150mm GaN product business", the trademarks, technologies, software, know-how and trade secrets (Know-How), etc. owned by Taiwan-Asia Semiconductor Corporation before the split reference date related to the "GaN product business" are difficult to be split since they are shared among the 150mm and 200mm GaN products. Therefore, they are not included in the scope of this split plan. After the

split reference date, the two parties may separately agree on the authorization method, and Taiwan-Asia Semiconductor Corporation will authorize the aforementioned technologies to Gan-Asia Semiconductor Corporation, so that Gan-Asia Semiconductor Corporation can still exercise / use the relevant rights after assuming the business of the "200mm GaN Product Business Group".

E. Other related assets, liabilities, rights and obligations, equity, split of business / property, tax incentives that have been implemented but not expired or have not been deducted, licenses, permits and related legal relationships, factual relationships and statuses related to the "200mm GaN Product Business Group".

- 2 、 Business value transferred in the split: The calculation of split and transferred assets minus liabilities is shown in Appendix 2 and is estimated to be NT\$1,000,000,000.
- 3 、 Split and transferred assets: The split and transferred assets are shown in Appendix 2 and is estimated to be NT\$1,000,000,000.
- 4 、 Split and transferred liabilities: The split and transferred liabilities are shown in Appendix 2 and is estimated to be NT\$0.
- 5 、 The business value, assets and liabilities transferred from the split disclosed above are temporarily based on the accountant's review of Taiwan-Asia Semiconductor Corporation's 2023 Financial Reports for the depreciation, capital expenditure plans, value changes of related items up to the split record date and other factors have been included in the estimation. However, the actual amount will be based on the book value on the record date of the split.
- 6 、 When the aforementioned split and transferred assets and liabilities require adjustments, the Taiwan-Asia Semiconductor Corporation Board of Directors and the decision-making unit of the Gan-Asia Semiconductor Corporation shall negotiate the adjustments together. If the business value or the amount or price of the shares issued by Gan-Asia Semiconductor Corporation need adjustment, the same process shall be implemented.

#### **Article 4 The proportion of issued shares of the New Company and the basis for the calculation are the business value, assets and liabilities of the split and transferred company**

- 1 、 Share conversion ratio: The business value of the "200mm GaN Product Business Group" to be split and transferred by Taiwan-Asia Semiconductor Corporation is estimated to be NT\$1,000,000,000 and the newly issued common shares of Gan-Asia Semiconductor Corporation shall be exchanged at NT\$10 per share. The face value of each share (hereinafter referred to as face value) is NT\$10. It is estimated Taiwan-Asia Semiconductor Corporation will obtain 100,000,000 issued common shares of Gan-Asia. If there is an adjustment on the split reference date resulting in the exchange of less than one share, the unconverted business value shall be paid in cash in full to Taiwan-Asia Semiconductor Corporation within 30 days of registration completion of Gan-Asia Semiconductor Corporation.
- 2 、 Calculation basis: The aforementioned share conversion ratio is based on the book value of assets and liabilities split and transferred by Taiwan-Asia Semiconductor Corporation. The net value per share and split share conversion ratio is based on the reasonability stated in the expert's opinions. The expert's opinions are listed in Appendix 3.

#### **Article 5 The proportion of issued shares of the New Company and the adjustment of the proportion are based on the business value, assets and liabilities of the split and transferred company**

For the stated ratio of newly issued shares of the New Company for the split, if the following situations occur, the Board of Directors of Taiwan-Asia Semiconductor Corporation and the decision-making unit of the Gan-Asia Semiconductor Corporation shall negotiate to change the issued amount or price per share, and the

business value of Gan-Asia Semiconductor Corporation acquired in the split will be adjusted accordingly.

- 1、After the establishment of this plan, it is proposed that the “200mm GaN Product Business Group” assets acquired by TASC be added to the scope of split and transferred assets.
- 2、Changes to the details or amount of the split and transferred assets and liabilities of Taiwan-Asia Semiconductor Corporation due to business activities, investments or financing, or reevaluation, discounts, amortized, addition or deduction of assets.
- 3、On the split record date, major changes to the business value are required due to changes in the scope of assets or liabilities or other reasons according to the business split and transferred.
- 4、Other adjustments deemed necessary by the Boards of Directors of both companies or due to changes in other laws and regulations or approved by the related competent authority.

#### **Article 6 The total amount, type and quantity of shares issued by the company taking on the business**

- 1、The business value undertaken by the Gan-Asia Semiconductor Corporation according to the plan is NT\$1,000,000,000, equaling 100,000,000 common shares to be issued to Taiwan-Asia Semiconductor Corporation.
- 2、Gan-Asia Semiconductor Corporation shall complete the change registration and issue the common shares to Taiwan-Asia Semiconductor Corporation after the split record date according to the law. After the split is complete, Taiwan-Asia Semiconductor Corporation will directly hold all shares of Gan-Asia Semiconductor Corporation.

#### **Article 7 Buying back and canceling the shareholdings of objecting shareholders**

For shareholders of both companies who object to the matters related to the Split Case or the plan according to the law, both companies shall buy back all shareholdings of the objecting shareholders according to laws and regulations. Therefore, the shares bought back shall be disposed of or canceled according to the law, and the registration shall be changed. However, with Taiwan-Asia Semiconductor Corporation being the only shareholder of Gan-Asia, there should be no objecting shareholders as far as Gan-Asia Semiconductor Corporation is concerned.

#### **Article 8 Obligations of notification and announcement for creditors and related matters**

- 1、After the split is passed by the shareholders’ meeting and or Board of Directors acting on behalf of the shareholders’ meeting of both companies, an assets and liabilities table and property index shall be formulated. The resolution for the split shall be notified and announced to the creditors, and the creditors may raise objections within the specified period of more than 30 days. If the creditor raises an objection within the specified period, both companies shall handle the matter according to relevant laws and regulations.
- 2、If Taiwan-Asia Semiconductor Corporation proposes the debt paid by the objecting creditor is part of the scope of the split and transfer of the plan according to the regulation above, the Board of Directors of Taiwan-Asia Semiconductor Corporation and the decision-making unit of Gan-Asia Semiconductor Corporation shall adjust the business scope, business value, assets and liabilities listed in Article 3. The same shall apply if the ratio and price of the new shares issued by Gan-Asia Semiconductor Corporation needs to be adjusted.

#### **Article 9 Bearing of rights and responsibilities after the split and related matters**

- 1、Starting from the split reference date, all “200mm GaN Product Business Group” assets, liabilities and all rights and responsibilities effective up to the split reference date transferred by Taiwan-Asia

Semiconductor Corporation shall be generally assumed by Gan-Asia Semiconductor Corporation. If related transfer procedures need to be handled, Taiwan-Asia Semiconductor Corporation shall cooperate fully.

- 2、Except for the split and transferred liabilities and the liabilities of Taiwan-Asia Semiconductor Corporation before the split, Gan-Asia Semiconductor Corporation shall, within the scope of its capital contribution of the assumed businesses, be jointly and severally liable for the liabilities before the split of the “200mm GaN Product Business Group” with Taiwan-Asia Semiconductor Corporation in accordance with Article 35 of the Business Mergers and Acquisitions Act. However, if the repayment request right of the creditor is not exercised within 2 years of the split reference date, the liabilities will be canceled.

#### **Article 10 Handling of employee retention**

Taiwan-Asia Semiconductor Corporation and Gan-Asia Semiconductor Corporation shall discuss the retention of employees according to the legal procedures and inquire the willingness of the employees. Employees who agree to stay will have their years of service with Taiwan-Asia Semiconductor Corporation before the split reference date acknowledged by Gan-Asia Semiconductor Corporation, or in accordance with relevant laws and regulations, Taiwan-Asia Semiconductor Corporation shall negotiate with the employees to decide on a method to ensure the existing employee rights.

#### **Article 11 Split record date**

- 1、The split record date is temporarily set as August 30, 2024. However, after the split is approved through resolution by both companies, and the split record date is required to be adjusted due to relevant legal procedures or practical needs, the new date shall be decided by Taiwan-Asia Semiconductor Corporation’s Board of Directors or board appointed person and the decision-making unit of Gan-Asia Semiconductor Corporation.
- 2、On the split reference date, Taiwan-Asia Semiconductor Corporation shall transfer the business, personnel, equipment and other related assets and liabilities of the “200mm GaN Product Business Group” to Gan-Asia Semiconductor Corporation for a general assumption.

#### **Article 12 Plan execution progress, estimated completion date and overdue handling**

- 1、The split is expected to convene a shareholder’s meeting and or Board of Directors acting on behalf of the shareholders’ meeting on May 28, 2024 to pass the split.
- 2、If there are matters not completed on time for the split and the estimated execution progress, the Board of Directors or shareholders' meeting shall be convened for related matters according to the laws and regulations. The Taiwan-Asia Semiconductor Corporation Board of Directors or its authorized person shall discuss the matters with the decision-making unit of Gan-Asia Semiconductor Corporation.

#### **Article 13 If equity shares were issued or treasury stocks were bought back before the split of the company, the number of treasury shares that can be bought back and the handling methods are based on the law after the record date for calculating the conversion ratio and the treatment principles**

- 1、For Taiwan-Asia Semiconductor Corporation employees who hold stock warrants before the establishment of the plan, if the employee is transferred to Gan-Asia Semiconductor Corporation because of the split, the employees shall retain the issuance and subscription rights of Taiwan-Asia Semiconductor Corporation. The methods for issuance and subscription stipulated by Taiwan-Asia

Semiconductor Corporation must be implemented for new shares.

- 2、The treasury shares held by Taiwan-Asia Semiconductor Corporation before the establishment of the plan were handled according to the buy-back purpose and measures.
- 3、The treasury shares may be implemented by both companies after the conversion ratio record date with approval from one party according to laws and regulations.

#### **Article 14 Handling method for the increase or decrease of participating entities or companies**

After the information related to the plan is disclosed externally, if changes occur to the entities or companies participating in the split, the conducted parts of the plan or legal behaviors must be re-conducted by all participating companies.

#### **Article 15 Distribution of taxes and costs**

- 1、Unless otherwise stated in the plan, all taxes or costs incurred by the signing or execution of the plan must be divided equally between both parties, except for tax-exempt parties. However, for those otherwise regulated by the laws and regulations, the laws and regulations shall apply. If the plan does not obtain approval from the shareholders' meeting or the Board of Directors acting on behalf of the shareholders' meeting, approval from the competent authority or is rendered ineffective due to other reasons, all lawyer fees, accountant fees and other related causes that have been incurred will be the responsibility of Taiwan-Asia Semiconductor Corporation.
- 2、For tax incentives applicable to the plan, both parties shall actively apply for the incentives.

#### **Article 16 Paid-in capital changes to the company to be split**

The paid-in capital of Taiwan-Asia Semiconductor Corporation shall not be reduced due to the split, except for the cancellation of shares in accordance with Article 7 and the laws and regulations.

#### **Article 17 Applicable laws**

- 1、The plan is implemented according to the Corporate Mergers and Acquisitions Act, Company Act and other related laws and regulations. If new revisions to the laws are announced and implemented (including after the split record date) and are more favorable, the more favorable related laws and regulations may be applied.
- 2、The plan shall be explained in accordance with the laws of the Republic of China. If any disputes arise from the plan, Taiwan Hsinchu Court shall have jurisdiction.

#### **Article 18 Miscellaneous**

- 1、If any of the clauses of the plan contradict with the relevant laws and regulations and are rendered ineffective, only the contradiction will be considered ineffective. The other clauses will remain effective. Regarding the partial clauses that are rendered ineffective due to the infringement of related laws and regulations, legitimate revisions may be made by the Board of Directors of Taiwan-Asia Semiconductor Corporation and the decision-making unit of Gan-Asia Semiconductor Corporation according to relevant laws and regulations.
- 2、If the relevant competent authority deems that any clause of the plan requires revision, such revision shall be directly made based on the competent authority's order or by the agreement between the Board of Directors of Taiwan-Asia Semiconductor Corporation and the decision-making unit of Gan-Asia Semiconductor Corporation following the competent authority's order.
- 3、The plan must be approved by resolution by the shareholders' meetings and or the Boards of Directors

acting on behalf of the shareholders' meetings of both companies before it can take effect.

- 4 、 If there are unfinished matters within the plan, the matters shall be handled according to the relevant laws and regulations and the regulations of the competent authority. For matters not covered by the laws or competent authority, they shall be handled by the Board of Directors of Taiwan-Asia Semiconductor Corporation and the decision-making unit of Gan-Asia Semiconductor Corporation.
- 5 、 The appendices of the plan are part of the plan.
- 6 、 The authorized signatory of the Plan is Jack Tsai, independent director of Taiwan-Asia Semiconductor Corporation.
- 7 、 This Plan is made in duplicate, one copy for each party and each copy bearing the same legal effect.

Plan formulating person:

Taiwan-Asia Semiconductor Corporation

Independent Director: Tsai Shih-Kuang

Gan-Asia Semiconductor Corporation

Chairman: Kuo-Kuang Li

April 11, 2024

【Appendix 1】

**GaN-Asia Semiconductor Corporation  
Company's Articles of Incorporation**

**Chapter 1 General Provisions**

Article 1: The Company shall be incorporated as a private company limited by shares in accordance with the Company Act and it shall be named GaN-Asia Semiconductor Corporation.

Article 2: The business scope of the Company is as follows:

- I. CC01080 Electronics Components Manufacturing
- II. CC01040 Lighting Equipment Manufacturing
- III. CC01060 Wired Communication Mechanical Equipment Manufacturing
- IV. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- V. CC01090 Manufacture of Batteries and Accumulators
- VI. C801990 Other Chemical Materials Manufacturing
- VII. C802990 Other Chemical Products Manufacturing
- VIII. C805990 Other Plastic Products Manufacturing
- IX. CA02990 Other Metal Products Manufacturing
- X. E603080 Traffic Signs Installation Engineering
- XI. E603090 Lighting Equipments Construction
- XII. F401010 International Trade
- XIII. F119010 Wholesale of Electronic Materials
- XIV. I501010 Product Designing
- XV. IG03010 Energy Technical Services
- XVI. JE01010 Rental and Leasing
- XVII. IZ99990 Other Industrial and Commercial Services
- XVIII. I199990 Other Consulting Service
- XIX. C801010 Basic Chemical Industrial
- XX. F207200 Basic Chemical Industrial

Article 3: The Company is headquartered in Hsinchu County, Taiwan, and may establish domestic or foreign branches subject to the Board of Directors' approval.

Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

**Chapter 2 Shareholding**

Article 5: The total capital of the Company shall be in the amount of NT\$2 billion divided into 200 million shares at NT\$10 per share to be issued in installments.

Article 6: Registration for the change of name or transfer of shares in the shareholder register shall be suspended for 30 days before the annual meeting of shareholders, for 15 days before an extraordinary shareholders' meeting, or 5 days before the record date the Company decides

to distribute dividends and bonus or other benefits.

Article 7: The share transfer shall be applied for by the New Company. Before the transfer process is complete, the transfer shall not be used against the Company.

Article 8: The Company shall buy shares according to the Company Act. The transfer subject must include employees controlled by certain conditions or employed by the Company.

The Company shall issue employee stock warrants according to the Company Act. The subjects must include employees controlled by certain conditions or employed by the Company.

Employees of the company undertaking the issuance of new shares in accordance with the Company Act must include employees controlled by certain conditions or employed by the Company.

The subjects of the Company for the issuance of restricted employee rights new shares according to the Company Act must include employees controlled by certain conditions or employed by the Company.

### **Chapter 3 Shareholders' meeting**

Article 9: The shareholders' meetings of the Company are classified into two categories:

- I. Annual shareholders' meetings are to be held at least once every year and shall be convened within six months after the end of each fiscal year in accordance with the law.
- II. Extraordinary shareholder's meetings will be convened according to the relevant laws and regulations when necessary.

Article 10: The shareholders' meeting convened by the Board of Directors shall be chaired by the Chairman. If the Chairperson is unable to perform such duties due to a leave of absence or any other reason, the Chairperson may appoint one of the directors to act on the Chairperson's behalf. If the Chairperson does not appoint a delegate, one shall be elected by the directors from among them.

Article 11: A shareholder who cannot attend shareholders' meeting may appoint a proxy to attend the meeting on his/her behalf by executing a power of attorney, stating clearly the scope of the authorization.

Article 12: Unless otherwise prescribed by the Company Act or the Articles of Incorporation, a shareholder shall have one voting right per share he or she is in possession of.

Article 13: Unless otherwise regulated by the Company Act, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 14: The Company's shareholders' meeting can be convened through video conferencing or other methods announced by the central competent authority. In case a shareholders' meeting is proceeded via video conferencing, then the shareholders taking part in such a



video conference shall be deemed to have attended the meeting in person.

Article 15: When the Company's shareholder is the government or a single institutional shareholder, the responsibilities of the shareholders' meeting will be conducted by the Board of Directors and the regulations related to shareholders' meetings in the Articles of Incorporation will not be applicable.

#### **Chapter 4 Directors, supervisors, and managers**

Article 16: The Company has 3 to 9 directors and 1 to 2 supervisor(s), who will serve for 3 years. The shareholders' meeting shall elect capable candidates and the candidates may be reelected.

Article 17: The directors shall organize the board meeting. The Chairperson shall be elected from among the directors with at least two thirds in attendance and over half of those attending voting for him/her. The Chairperson shall represent the company externally.

Article 18: Unless otherwise prescribed in the Company Act, the resolutions made by the Board of Directors shall be passed by a majority vote at a meeting of the Board of Directors attended by more than half of all directors on the Board.

Unless otherwise stated in the Company Act, the Board of Directors shall be convened by the Chairperson, and the reason shall be clearly stated and notified to the directors and supervisors three days before the meeting. However, if an emergency arises, the Board may be convened at any time.

The Company's Board of Directors must be convened through written, faxed, or electronic notice.

Article 19: Unless otherwise stated in the Company Act, the Chairperson of the Board shall act as the Chairperson of the meeting. If the Chairperson is on leave or unable to exercise their duties, a delegate may handle the matters according to Article 208 of the Company Act. Directors should attend the Board of Directors meeting in person. If for any reason, the director is unable to attend, they may delegate their powers to other directors.

Each proxy may only represent one absent director.

If a board meeting is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

If unanimously approved by the Board of Directors, the Company may approve the written voting of the Board of Directors meeting agenda and no physical meeting needs to be convened.

Article 20: The remuneration of directors and supervisors of the Company shall be determined by the Board of Directors according to the level of contribution of the directors and supervisors and the common standard for peers in the industry.

Article 21: The Company shall establish managers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

#### **Chapter 5 Accounting**

Article 22: The accounting year of the Company is from January 1 to December 31 of each year. At the end of each accounting year, the Board of Directors shall formulate the operating report, financial reports, and distribution of earnings or making up losses proposal, and submit the

reports to the shareholders' meeting for acknowledgment.

Article 23: If the Company makes profit at the end of the year, it shall allocate 10% to 20% of the profit as employee salary and not more than 10% of the profit as director and supervisor compensation. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses. The subjects of shares or cash distribution of remuneration must include employees controlled by certain conditions or employed by the Company.

Article 24: If earnings remain after the final accounts of each year, the Company must pay taxes and make up losses according to laws and regulations. 10% of the earnings will then be allocated to the legal reserve. However, if the legal reserve reaches the paid-in capital, this is not applicable. Additionally, after the special reserve is listed or converted, and the undistributed earnings at the beginning of the period is the accumulated distributable earnings of shareholders, the Board of Directors shall propose the earnings distribution to the shareholders' meeting for resolution.

#### **Chapter 6 Addendum**

Article 25: If there are any issues not covered in the Articles of Incorporation, the Company shall follow the provisions prescribed in the Company Act and other relevant laws and regulations.

Article 26: The Articles were established on August 24, 2031.  
1st revision made on April 11, 2024.

【Appendix 2】

The scope of TASC’s proposed split of businesses (including assets, liabilities and operations) related to the “200mm GaN Product Business Group”

December 31, 2023

Unit : NT dollars

Assets		Liabilitie	
Item	Amount	Item	Amount
<b>Assets (A)</b>	1,000,000,000	<b>Liabilitie (B)</b>	0
<b>Equit (business value)(A)-(B)</b>			1,000,000,000

Fairness Opinion of the Price of Taiwan-Asia  
Semiconductor Corporation's Division of Operating Assets  
in Exchange for New Shares Issued by Gan-Asia  
Semiconductor Corporation

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## Opinion summary

- I. Client: Taiwan-Asia Semiconductor Corporation.
- II. Evaluation target: The value of businesses (including assets, liabilities and operations) related to the “200mm GaN Product Business Group” owned by Taiwan-Asia Semiconductor Corporation (hereinafter referred to as "evaluation target").
- III. Content of the appointment: Taiwan-Asia Semiconductor Corporation (“Taiwan-Asia Semiconductor Corporation”) plans to transfer its “200mm GaN Product Business Group” related businesses (including assets, liabilities and operations) to its existing wholly owned sub-subsidiary, Gan-Asia Semiconductor Corporation (“Gan-Asia Semiconductor Corporation”); Gan-Asia Semiconductor Corporation shall issue new shares as payment to Taiwan-Asia Semiconductor Corporation for the assumption of such businesses (hereinafter referred to as the “Case”). I, the CPA, have been appointed to express opinion on the fairness of the price regarding the aforementioned division of operating assets in exchange for new shares issued by Gan-Asia Semiconductor Corporation as a reference for Taiwan-Asia Semiconductor Corporation 's evaluation of this Case in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", "Republic of China Appraisal Standards", and "Expert Opinion Issuance Guidelines". This opinion shall not be used for other purposes.
- IV. Laws and regulations based on: "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", "Republic of China Appraisal Standards" and "Expert Opinion Issuance Guidelines".
- V. Evaluation record date: December 31, 2023.
- VI. The basis for forming the opinion and the conclusion of the opinion: I believe that the calculation of the value and share exchange ratio of Taiwan-Asia Semiconductor Corporation 's current division of the "200mm GaN Product Business Group" is conducted based on the book value of assets and liabilities related to the evaluation target Taiwan-Asia Semiconductor Corporation proposed to split on December 31, 2023., and the accounting treatment has been performed in accordance with the relevant Q&A and interpretation letters of the Accounting Research and Development Foundation. Therefore, it is fair that Gan-Asia Semiconductor Corporation plans to issue 100,000,000 common shares at a face value of NT\$10 per share to Taiwan-Asia Semiconductor Corporation to acquire the comparable net assets.

Integritas CPA Firm

CPA Hung-Yi Wu

March 25, 2024

## Declaration

For this fairness opinion issued in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", "Republic of China Appraisal Standards" and "Expert Opinion Issuance Guidelines", etc., on the price regarding Taiwan-Asia Semiconductor Corporation's division of operating assets in exchange for new shares issued by Gan-Asia Semiconductor Corporation, I hereby declare the following matters:

- I. The sources, parameters and information used in this Case to perform the operating procedures have been appropriately evaluated as appropriate, reasonable and being in compliance with relevant laws and regulations.
- II. Before undertaking the Case, I have confirmed compliance with the qualifications listed in Article 5, Paragraph 1 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and my professional capabilities and practical experience have been assessed according to Paragraph 2, Subparagraph 1 of the aforementioned Article.
- III. When executing the Case, I have appropriately planned and executed a suitable operating procedure and have formed a conclusion to issue the price fairness opinion. The operating procedures, collected information and conclusion have been included in the working draft of the Case in detail.
- IV. In this Case, there is no contingent fees and no conclusion has been established in advance.
- V. The fairness opinion in this Case has been prepared by considering the actual operating conditions and true value of Taiwan-Asia Semiconductor Corporation, and is issued from an objective, fair, independent and detached position. Should there be any misrepresentation, the CPA shall bear all legal responsibilities.
- VI. There is no "interested relationship" between the CPA and the parties involved in this Case, and the CPA is not a "related party or de facto related party of any party to the transaction" as stipulated in Article 5, Paragraph 1, Subparagraphs 2 and 3 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". The non-existence of the following matters is hereby declared:
  - (I) I or my spouse is currently employed by the trade party of the Case and is paid a fixed salary or acting as a director or supervisor.
  - (II) I or my spouse has acted as a director, supervisor, manager, or held a position of importance related to the Case of the trade party, and was dismissed or resigned within 2 years.
  - (III) The unit where I or my spouse is currently employed is related to the parties of the Case.
  - (IV) Whether the accountant is related as a spouse or family member within two degrees of kinship to the directors, supervisors, managers, or persons with positions that have a significant influence on the Case of the parties of the trade.

Integritas CPA Firm

CPA Hung-Yi Wu

March 25, 2024

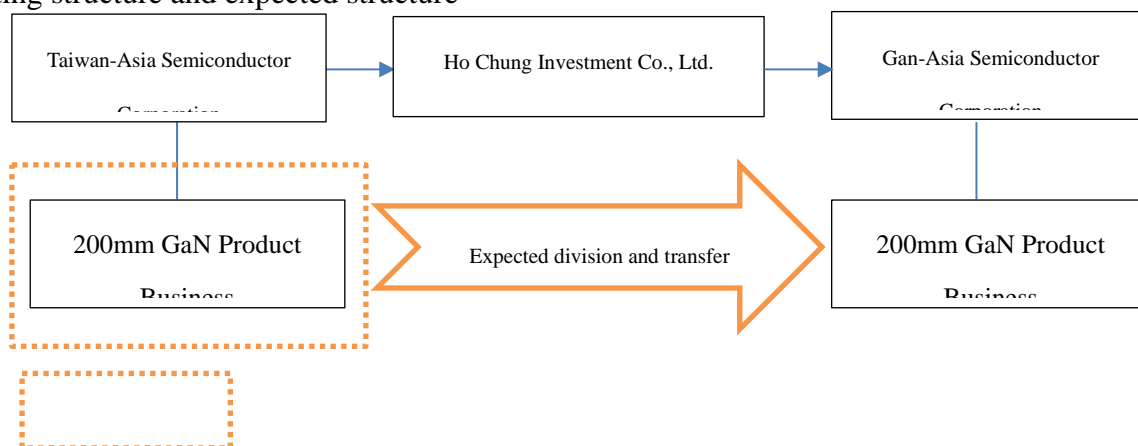
## Opinion

### I. Description of appointment content

- (I) Client: Taiwan-Asia Semiconductor Corporation (“Taiwan-Asia Semiconductor Corporation”).
- (II) Expert appointed: Hung-Yi Wu, CPA of the Integritas CPA Firm  
Address of CPA firm: 7F., No. 328, Sec. 1, Jianguo S. Rd., Da’an Dist., Taipei City, Taiwan (R.O.C.).  
CPA’s business certificate no.: CPA ASSOCIATIONS-I-Zi-No.1070015.
- (III) Evaluation target: The value of businesses (including assets, liabilities and operations) related to the “200mm GaN Product Business Group” owned by Taiwan-Asia Semiconductor Corporation (hereinafter referred to as "evaluation target").
- (IV) Evaluation purpose: In order to understand the business value of the evaluation target, Taiwan-Asia Semiconductor Corporation appointed me, the CPA, to carry out necessary review procedures to express an opinion on the fairness of its business value in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. The evaluation of this Case has been completed.
- (V) Content of the appointment: Taiwan-Asia Semiconductor Corporation plans to transfer its “200mm GaN Product Business Group” related businesses (including assets, liabilities and operations) to its existing wholly owned sub-subsidiary, Gan-Asia Semiconductor Corporation (“Gan-Asia Semiconductor Corporation”); Gan-Asia Semiconductor Corporation shall issue new shares as payment to Taiwan-Asia Semiconductor Corporation for the assumption of such businesses (hereinafter referred to as the “Case”). I, the CPA, have been appointed to express opinion on the fairness of the price regarding the aforementioned division of operating assets in exchange for new shares issued by Gan-Asia as a reference for Taiwan-Asia Semiconductor Corporation 's evaluation of this Case in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", "Republic of China Appraisal Standards", and "Expert Opinion Issuance Guidelines". This opinion shall not be used for other purposes.
- (VI) Laws and regulations based on: "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", "Republic of China Appraisal Standards" and "Expert Opinion Issuance Guidelines".
- (VII) Transaction background description: Taiwan-Asia Semiconductor Corporation plans to transfer its “200mm GaN Product Business Group” related businesses (including assets, liabilities and operations) to be assumed by its existing wholly owned sub-subsidiary, Gan-Asia Semiconductor Corporation, in order to implement professional division of labor and improve the overall business performance and market competitiveness of the Group. Gan-Asia Semiconductor Corporation shall issue 100,000,000 common shares with a face value of NT\$10 per share as the payment of NT\$1,000,000,000 in ordinary shares to Taiwan-Asia Semiconductor Corporation. The transaction process is explained in a simplified diagram as follows:



## Existing structure and expected structure



Represent the evaluation target of this division.

Source: Provided by Taiwan-Asia Semiconductor Corporation and compiled by the CPA.

- (VIII) Value standard: IFRS 13 “Fair Value Measurement” defines fair value as: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".
- (IX) Premise of value: An assumption regarding the most likely set of transactional circumstances that may be applicable; for example, going concern, liquidation. Based on the purpose of the evaluation, this opinion uses the assumption of going concern to implement the evaluation procedures.
- (X) Evaluation record date: December 31, 2023.
- (XI) Evaluation process:
  1. Before undertaking a case, evaluate the firm's independence, suitability and confirm the scope of appointment.
  2. Sign a letter of appointment or quotation.
  3. Judge and analyze the industry to which the evaluation target belongs, and understand the characteristics, history and future changes of the industry to which the evaluation target belongs.
  4. Analyze and evaluate the industry information, operating model, historical operating performance, and operating results of the target as a basis for judgment in selecting comparable companies.
  5. Determine the use of valuation methods based on operating and financial characteristics. Valuation methods used by the Firm are based on the market approach, income approach and asset-based approach of the IFRS and Appraisal Standards.
  6. Collect and estimate the parameters and assumptions required for the valuation method, and complete the value estimate.
  7. Analyze and calculate the estimated value, and provide a value range and conclusion.
  8. Issue an opinion on the fairness of the price of the evaluation target.
  9. Keep the working draft.

(XII) Source:

Based on the purpose of this evaluation, I gain understanding of the evaluation target and compile the data in accordance with the necessary evaluation procedures, and use this as the basis for the calculation of corporate assets. These procedures include understanding the industry and peer companies in which the company operates, and understanding and analyzing recent financial information and business performance. The sources of data used in this Case are as follows:

1. Public information on the Market Observation Post System.
2. The balance sheet of the split operating assets in the Case as of December 31, 2023.
3. The detailed assets and liabilities of the split operating assets in the Case (including the property list of property, plant and equipment) as of December 31, 2023.
4. "Procedures for the Acquisition or Disposal of Assets" of Taiwan-Asia Semiconductor Corporation.
5. Verified and certified parent company only financial statements of Taiwan-Asia Semiconductor Corporation for Year 2023.
6. The basis for valuation of the split business assets in the Case and the benefit assessment of the Case.
7. Other sources of information relevant to the Case are described in each chapter of this opinion.

(XIII) Significant assumptions:

1. It is assumed that there are no changes in laws, regulations, policies and economic environment that may have a significant negative impact on the evaluation target's operations.
2. It is assumed that the evaluation target has no major subsequent events as of the evaluation report date.

(XIV) Restrictive conditions:

1. Under different value premises and value standards, the adoption of different significant assumptions or a different evaluation record date will have a significant impact on the content of the opinion.
2. This opinion is only used in this Case to comply with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", "Republic of China Appraisal Standards" and "Expert Opinion Issuance Guidelines". Other than the aforementioned, the CPA's evaluation conclusion shall not be used or relied upon for any other purposes, nor shall it be expanded to be interpreted as being related to the overall financial statements of the evaluation target.
3. I hereby declare that I do not bear any legal responsibility for the impact of changes in the content of this opinion that may occur in the future due to changes in plans of the case or other circumstances.
4. I only express my opinion on the value of the evaluation target using the generally most acceptable evaluation methods and procedures specified in the Appraisal Standards. I do not provide any guarantee for the final transaction value. Since the evaluation is based on the information obtained and the restrictions of assumptions, there may be differences in the prices calculated using reasonable evaluation methods in practical evaluation.
5. I only evaluate the fairness of the transaction price from the perspective of an independent third party and have not actually participated in the design and planning of the transaction structure. In accordance with Article 7 of the Appraisal Standards No. 11 "Evaluation of Enterprises" issued by the Accounting Research and Development Foundation, I have conducted a fairness evaluation of the information available in the open market with respect to the evaluation target and confirmed the reliability and appropriateness of its sources. However, based on the scope of the appointment, I have not reviewed the aforementioned information in accordance with the auditing standards, nor have I performed assurance procedures in accordance with the Assurance Standards No. 3000

"Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation. Therefore, I am unable to provide any degree of assurance in its correctness or appropriateness.

## II. Profile and abbreviation definitions of trading companies, related business groups and affiliated companies

Full company / department name	Company / department profile
Taiwan-Asia Semiconductor Corporation	Taiwan-Asia Semiconductor Corporation was established in December 1983 and listed on the Taiwan Stock Exchange on May 2, 1995. Its main business items are the manufacturing and sales of semiconductor components and the research, development, design and sales of system products.
Gan-Asia Semiconductor Corporation	Gan-Asia Semiconductor Corporation is a sub-subsidiary wholly owned by Taiwan-Asia Semiconductor Corporation through Ho Chung Investment Co., Ltd. It was established in September 2023 and is mainly engaged in the manufacturing of electronic components.
200mm GaN Product Business	It is mainly the 200mm GaN machinery and equipment purchased by Taiwan-Asia Semiconductor Corporation, which is planned to be split and transferred to Gan-Asia Semiconductor Corporation in this Case.

Source: 2023 financial report of TASC, compiled by the CPA.

## III. Opinion on the fairness review of the business split value

The evaluation record date of this Case is December 31, 2023. The CPA reviewed and inspected information including the balance of each account and related accounting treatment as of the evaluation record date based on the book value of the assets and liabilities of the evaluation target and comprehensively referenced the relevant financial statement information of the evaluation target. The fairness of the transaction price is hereby explained as follows:

Because the evaluation target and Gan-Asia Semiconductor Corporation were originally businesses under joint control (Taiwan-Asia Semiconductor Corporation), the business value of the evaluation target held by Taiwan-Asia Semiconductor Corporation before this transaction will be held by Gan-Asia Semiconductor Corporation after the completion of this transaction, and Taiwan-Asia Semiconductor Corporation still indirectly holds the business value of the evaluation target. In principle, if Taiwan-Asia Semiconductor Corporation divides and transfers the business value of the evaluation target to Gan-Asia Semiconductor Corporation, the substance of the transaction should be an organizational restructuring.

The business value of the evaluation target Taiwan-Asia Semiconductor Corporation plans to transfer is NT\$1,000,000,000. The book values of the assets and liabilities to be split as of the evaluation record date are as follows

Unit: NT\$

Assets		Liabilities	
Item	Amount	Item	Amount
Total assets (A)	1,000,000,000	Total liabilities (B)	0
		Net amount (business value) (A)-(B)	1,000,000,000

Source: Provided by Taiwan-Asia Semiconductor Corporation.

As mentioned above, I believe that the above-mentioned split and transfer shall be regarded as a combination of businesses under joint control, which complies with the requirements of paragraph 2 (C) of the International Financial Reporting Standard No. 3 "Business Combinations" (hereinafter referred to as "IFRS3"), therefore, the relevant accounting treatment of IFRS3 is not applicable. In addition, according to the responses in the IFRS Q&A published by the Accounting Research and Development Foundation on October 26, 2018, since IFRS 3 does not clearly provide for business combinations under joint control, the provisions of the relevant interpretation letters issued in Taiwan shall still be applied and the accounting treatment of the "book value method" shall be adopted.

Additionally, according to (2002) Ji-Mi-Zi No. 128 letter of the Accounting Research and Development Foundation of the Republic of China dated June 14, 2002, "For accounting related to corporate splits, when the corporation (transfer company) transfers business to another company (transferee company) and acquires the issuance of shares, if the transfer company and the transferee company are affiliated companies, the nature of the transaction is considered as organizational restructuring. Therefore, the accounting shall use the original asset book value (if assets are lost, the amount after recognized loss shall be used) minus the liabilities as the cost of acquired shares. The exchange interests will not be recognized. The transferee company shall use the book value (if assets are lost, the amount after recognized loss shall be used) of the transfer company's original assets and liabilities as the cost for the acquired assets and liabilities, and the net value of both shall be used. The face value shall be used as the share capital. The parts exceeding the face value shall be used as the capital surplus." Therefore, Gan-Asia Semiconductor Corporation's payment to Taiwan-Asia Semiconductor Corporation for the split value of the evaluation target by issuing new shares and Taiwan-Asia Semiconductor Corporation's split based on the book value of the net assets of NT\$1,000,000,000 are in compliance with relevant accounting treatment regulations.

#### IV. Conclusion of the opinion:

I believe that the calculation of the value and share exchange ratio of Taiwan-Asia Semiconductor Corporation 's current division of the "200mm GaN Product Business Group" is conducted based on the book value of assets and liabilities related to the evaluation target Taiwan-Asia Semiconductor Corporation proposed to split on December 31, 2023., and the accounting treatment has been performed in accordance with the relevant Q&A and interpretation letters of the Accounting Research and Development Foundation. Therefore, it is fair that Gan-Asia plans to issue 100,000,000 common shares at a face value of NT\$10 per share to Taiwan-Asia Semiconductor Corporation to acquire the comparable net assets.



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►Education

Graduated from the Department of  
Accounting, Soochow University

Master of Laws Program for Executives  
from College of Law of National Chengchi  
University

►Professional qualifications

Certified Public Accountant (CPA) of the  
Republic of China

Business Valuation Analyst

International Certified Valuation  
Specialist (ICVS)

Hung-Yi Wu, CPA, originally held office in Deloitte  
Taiwan and is currently the chief accountant of  
Integritas CPA Firm. He has more than 20 years of  
experience in professional CPA services. His main  
service experience includes telecommunications,  
railway transportation, media, energy, electronics,  
biotechnology and start-up companies.

CPA Wu's mainly specializes in:

- I. Financial statements and tax compliance audit.
- II. Due diligence: Legal person financial audit for  
fraud and inspector audit of the Company Act.
- III. Mergers and acquisitions: Group organizational  
structure adjustment and tax planning, pre-  
M&A financial due diligence and acquisition  
target company equity valuation.
- IV. Valuation: Enterprise equity valuation, purchase  
price allocation (PPA) report, asset impairment  
evaluation, and intangible asset valuation.

►Experience:

- Chief Accountant of Integritas CPA Firm
- Independent Director of AcmePoint Energy  
Services Co., Ltd.

►Professional organization participation:

- Taipei CPA Association
- Member of the Chinese Association of  
Business and Intangible Assets Valuation
- Certified member of the International  
Association of Certified Valuation Specialists  
(IACVS)

►Key service experience:

Chunghwa Telecom Group, Taiwan High Speed Rail  
Corporation, Yulon Nissan Group, Taiwan  
Cogeneration Corporation, Shilin Electric Group,  
MiTAC Synnex Group, Hannstar Display Group,  
Chunghwa Precision Test Tech Group

# **Taiwan-Asia Semiconductor Corporation**

## **Articles of Incorporation**

### **Chapter 1 General Principles**

Article 1 The Company is established in accordance with the provisions of the Company Act, and is named 台亞半導體股份有限公司 in Chinese and Taiwan-Asia Semiconductor Corporation in English.

Article 2 The business scope of the Company is as follows:

1. CC01080 Electronic Parts and Components Manufacturing.
2. CC01040 Lighting Equipment Manufacturing.
3. E603080 Traffic Signs Installation Engineering.
4. E603090 Lighting Equipment Construction.
5. F401010 International Trade.
6. IE01010 Rental and Leasing.
7. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
8. CC01100 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing.
9. IG03010 Energy Technical Services.
10. IS01010 Product Designing
  - 1、Manufacturing and sales of optoelectronic semiconductor components:
    - (a) Light Emitting Diodes (b) Infrared Emitting Diodes (c) Photodiodes (d) Phototransistors (e) Photo Couplers (f) Laser Diodes (g) Photonic Integrated Circuits.
  - 2、Manufacturing and sales of semiconductor electronic components:
    - (a) Varactor Diodes (b) Field Effect Transistors (c) Microwave Transistors (d) Diodes (e) Transistors and (f) Various Types of Semiconductor Electronic Components.
  - 3、Manufacturing and sales of wireless communication equipment: UHF wireless frequency hopping communication machines.
  - 4、Research, development, design, manufacturing, sales, leasing (limited to self-owned products), promotion, and after-sales service of the items listed above and system products thereof.
  - 5、Concurrently engaging in import and export trade related to the Company's business.

Article 3

The Company may act as a guarantor externally for related business needs.

Article 4

The reinvestment of the Company is not subject to the total investment limit stipulated in Article 13 of the Company Act.

Article 5

The Company establishes its head office in Hsinchu Science Park, and may establish branches at appropriate locations at home and abroad after the resolution of the Board of Directors and the approval of the competent authority when necessary.

## Chapter 2 Shares

### Article 6

The total authorized capital of the Company is set in the amount of NT\$10 billion, divided into 1 billion shares which comprises ordinary shares or special shares, with each share being set in the amount of NT\$10, and may be issued in instalments. The Board of Directors is authorized to resolve issuance of unissued shares in accordance with actual needs.

The amount of NT\$600 million within the total authorized capital in the preceding paragraph shall be retained for the issuance of employee stock option certificates in a total of 60 million shares, with NT\$10 per share, which may be issued in installments in accordance with the resolution of the Board of Directors.

#### Article 6-1

According to Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers and Article 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the Company shall obtain the consent adopted by a Shareholder Meeting with the attendance of the shareholders representing more than half of the total number of the issued shares, and two-thirds or more of the voting rights of the shareholders in attendance in order to issue employee stock option certificates at a price lower than the closing price of the Company's ordinary shares on the date of issuance, as well as to transfer the shares to employees at a price lower than the average price of the shares actually repurchased.

#### Article 6-2

With regard to shares repurchased by the Company in accordance with the law, the recipient of the transfer may include employees of the controlled or affiliated companies who meet certain conditions. With regard to employee stock option certificates issued by the Company in accordance with the law, the recipient of the issuance may include employees of the controlled or affiliated companies who meet certain conditions.

With regard to subscription of new shares of the Company by employees in accordance with provisions of the Company Act, the subject of the subscription may include employees of the controlled or affiliated companies who meet certain conditions. With regard to new shares with restricted rights of employees of the Company issued in accordance with provisions of the Company Act, the subject of the issuance may include employees of the controlled or affiliated companies who meet certain conditions.

#### Article 6-3

The rights and obligations and other important issuance conditions of the Company's special shares are set out as follows:

1. If there is a surplus in the Company's annual final accounts, in addition to paying taxes in accordance with the law, the Company shall first make up for accumulated losses, set aside statutory surplus reserve, and make provision or reverse the special surplus reserve in accordance with the provisions of the Articles of Incorporation, after which if there is a balance, the dividend distributable on the special shares for that current year may have priority in the distribution.
2. Dividends on special shares are limited to the maximum annual rate of 8% and are calculated at the issue price per share. Dividends may be paid in cash once a year. After the annual general shareholder meeting recognizes the financial statements, the Board of Directors will set the base date to pay the dividends distributable of the previous year. The distribution of dividends in the year of issuance and in the year of recall shall be calculated based on the actual number of issuance days in that current year.
3. The Company shall have discretionary powers on the distribution of dividends on special shares. If the Company has no surplus or insufficient surplus to distribute dividends on special shares or other necessary considerations, the Company may resolve not to distribute dividends on special shares, which shall not constitute a breach of contract. If the issued special shares are of non-cumulative type and the Company resolves not to distribute dividends or to distribute insufficient dividends, the undistributed dividends shall not be accumulated for deferred payment in subsequent years with surplus.

4. In addition to receiving the aforementioned dividends, special shareholders are not allowed to participate in the distribution of ordinary shares with regard to surplus and capital reserve as cash and capitalization if the special shares issued are of non-participating type.
5. When the Company issues new shares in cash, special shareholders and ordinary shares have the same preemptive right.
6. With regard to the distribution of the remaining assets of the Company to shareholders, the special shareholders shall have priority over ordinary shareholders, and have the same priority in terms of being compensated as that of shareholders of various special shares issued by the Company, over which general creditors have priority, but subject to the limitation of not exceeding the amount calculated at the issue price of outstanding special shares at the time of the distribution.
7. Special shareholders have the right to vote and suffrage, and may be elected as directors. Special shareholders have voting rights at special shareholder meetings or on matters concerning rights and obligations of special shareholders at the shareholder meeting.
8. If special shares issued by the Company are convertible special shares, they shall not be converted within one (1) year of the date of issuance. The Board of Directors is authorized to set the period of conversion in the actual issuance conditions. Shareholders of the convertible special shares may apply for partial or complete conversion of the special shares held by them in accordance with the issuance conditions at the ratio of one special share to one ordinary share (the conversion ratio is 1:1). After the convertible special shares are converted into ordinary shares, their rights and obligations are the same as those of ordinary shares. The distribution of dividends during the year of conversion of special shares shall be calculated based on the ratio of the actual number of issuance days in that current year to the number of days in the whole year. However, the special shares that are converted into ordinary shares prior to the ex-right (dividend) record date for the distribution of dividends in each year shall not participate in the distribution of dividends on special shares in that current year of distribution as well as the distribution of dividends in subsequent years, but may participate in the distribution of earnings of ordinary shares and capital reserve in that current year.
9. Special shares have no expiry date. Special shareholders do not have the right to request the Company to recall the special shares held by them, but the Company may, from the next day upon expiration of five (5) years of issuance, at any time recall all or part of the special shares by cash, by means of mandatory conversion into new shares issued or other methods permitted by laws and regulations at the original actual issuance price and in accordance with relevant issuance regulations. Unrecalled special shares shall maintain the rights and obligations under the various issuance conditions in this article until the Company recalls such shares. In that current year when special shares are recalled, if the Company resolves to issue dividends, the dividends that should be paid as of the date of recall shall be calculated based on the actual number of issuance days in that current year.

The name, issuance date, specific issuance conditions and other related matters of special shares are authorized to the Board of Directors to determine based on the conditions of the capital market and the willingness of investors to subscribe at the time of the actual issuance in accordance with the Articles of Incorporation of the Company as well as relevant laws and regulations.

#### Article 7

The Company's shares may be invested in with specialized technology and patent rights as capital, which is, however, limited to those approved by the competent government agency.

#### Article 8

The Company may also be exempted from printing share certificates for the shares issued by itself, under which circumstance the Company shall register its issued shares with a centralized securities depository enterprise and follow the regulations of such an enterprise. The Company's share certificates shall be issued after being affixed with the signature or seal of the director representing the Company, affixed with the Company's logo and serial number, and duly certified or authenticated by the bank which is competent to certify and authenticate shares in accordance with the laws. The shares issued by the Company may also be exempted from printing shares and contact the securities centralized custody institution to register the shares issued by it, and proceed in accordance with the regulations of the institution.



## Article 9

The Company's share affairs include the handling of opening a shareholder account, change of specimen seal, change of address, transfer of ownership, creation of pledge, removal of pledge, reporting of loss, cancellation of reporting of loss, and other related matters. The Company shall handle its share affairs entirely in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies except as otherwise provided for in the laws and regulations.

## Article 10

The renaming and transferal of share ownership shall be suspended in accordance with the law within 60 days prior to the convening of the general shareholder meeting, 30 days prior to the convening of the extraordinary general shareholder meeting, or five (5) days prior to the base date for the distribution of dividends, bonuses or other benefits determined by the Company.

## Chapter 3 Shareholder Meeting

### Article 11

Shareholder meetings shall be either general meetings or extraordinary meetings, which shall be convened by the Board of Directors unless otherwise provided for under the Company Act.

General meetings shall be convened at least once a year and shall be convened within six (6) months after the end of each fiscal year, except for circumstances with a legitimate reason which has been submitted to the competent authority for approval.

Special shareholder meetings may be convened in accordance with relevant laws and regulations when necessary.

### Article 12

All shareholders shall be notified 30 days in advance regarding the convening of a general shareholder meeting, and all shareholders shall be notified 15 days in advance regarding the convening of an extraordinary shareholder meeting shall be notified to all shareholders 15 days in advance. The notice shall specify the date, venue, and reason for convening the meeting.

### Article 13

The Company's shareholders, except as otherwise provided for in relevant laws and regulations, shall have one (1) vote per share.

### Article 14

Unless otherwise provided for in relevant laws and regulations, resolutions of shareholder meetings shall be adopted by the attendance of shareholders in person or on behalf of other shareholders representing more than half of the total issued shares, with the consent of more than half of the voting rights of the shareholders in attendance. The Company's shareholders may exercise their voting rights by means of electronic transmission, and the related matters shall be handled in accordance with laws and regulations.

#### Article 14-1

The company's shareholders meeting may be held by video conference or other methods announced by the competent authority. The requirements, operating procedures, and other matters to be complied with for the adoption of video shareholders meeting shall be governed by the regulations of the competent authority if otherwise stipulated.

### Article 15

When a shareholder is unable to attend the shareholder meeting for some reason, he/she may issue a proxy published by the Company, specifying the scope of authorization, to entrust an agent to attend the shareholder meeting in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

## Article 16

Where the shareholder meeting is convened by the Board of Directors, the Chairman shall serve as the chair of the meeting; if the Chairman on leave or is unable to attend the meeting for some reason, the proxy thereof shall be proceeded in accordance with Article 208 of the Company Act.

Where the shareholder meeting is convened by a person other than the members of the Board of Directors with the right to convene the meeting, such a person with the right to convene the meeting shall be the chair of the meeting. If there are two or more such persons with the right to convene the meeting, one chair shall be selected among such persons to act as the chair of the meeting.

## Article 17

Resolutions adopted at a shareholder meeting shall be recorded in the minutes of the meeting, and handled in accordance with Article 183 of the Company Act.

## **Chapter 4 Board of Directors**

### Article 18

The Company shall have 7 to 11 directors, and the number of directors is authorized to be determined by the Board of Directors. The directors shall be elected by the shareholder meeting from among the persons with disposing capacity for a term of three (3) years and may be re-elected. Among the members of the Board of Directors, there shall be at least three (3) independent directors. The election of directors shall adopt a candidate nomination system, and the shareholder meeting shall select the directors from the list of director candidates.

The board of directors shall be organized by the directors. With the attendance of at least two thirds of the directors and the consent of more than half of the attending directors, three managing directors may be elected among them, and the number of managing directors shall not exceed one-third of the number of directors at most; The number of independent directors among the managing directors shall not be less than one, and shall not be less than one-fifth of the number of managing directors. The managing directors shall elect one person among them to be the chairman of the board, and may elect one person among them to be the vice chairman of the board. When the board of directors does not have a managing director, the directors shall elect one person to be the chairman of the board in the same way, and may also elect one person to be the vice chairman of the board in the same way.

### Article 18-1:

The Company may set up an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors. The number of the Audit Committee members shall not be less than three (3) persons, one of whom shall be the convener, and at least one (1) of the members shall possess expertise in accounting or finance.

### Article 19

When the Board of Directors meets, the Chairman shall be the chair. If the Chairman is unable to exercise his/her powers for some reason, the proxy thereof shall be proceeded in accordance with Article 208 of the Company Act.

### Article 20

When the number of vacancies for directors reaches one-third thereof or all independent directors are dismissed, the Board of Directors shall convene an extraordinary shareholder meeting within 60 days for the by-election. The term of their office shall be limited to the remaining term of office of the predecessor.

### Article 21

The Board of Directors shall convene at least once a quarter. The reason for the convening shall be stated and notified to all the directors seven (7) days in advance; However, it may be convened at any time when there is an emergency. The notice of a board meeting may be given in writing, by fax or e-mail, or by means of other communication. The powers of the Board of Directors shall be as follows:

1. Approval of the Articles of Incorporation and important management systems of the Company.
2. Approval of the annual budget and review of the annual final accounts.
3. Approval of the acquisition or disposal of major assets.
4. Where the Company applies to financial institutions or third parties for financing, guarantee, acceptance and other external advances, loans and borrowing of funds, it shall submit such application proposals or cases to the Board of Directors for approval or recognition retroactively.
5. Approval of endorsement, guarantee, and acceptance made in the name of the Company.
6. To propose transfer of dian right (a kind of pawn in real property), sale, lease, pledge, mortgage or other means of disposition of all or important parts of the Company's property, except for the guarantee provided to financial institutions pursuant to the relationship of authorization.
7. Appointment and dismissal of the Company's managers.
8. Approval of the Company's major reinvestment in other businesses or transfer of shares.
9. Establishment and abolition of branches.
10. Selection, appointment and dismissal of the Company's certified public accountants.
11. Other powers and authority vested therewith in accordance with the Company Act or resolutions adopted by the shareholder meeting.

#### Article 22

Directors shall attend the Board of Directors in person. If a director is unable to attend the Board of Directors in person for some reason, he/she may issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting to entrust another director to attend on his/her behalf, provided that one director may accept the appointment to act as the proxy by one other director only.

#### Article 23

During the term of office, directors shall be liability for compensation in accordance with the law within the scope of their performance of business, and authorize the Board of Directors to purchase liability insurance for them in order to reduce and diversify the risk of major damage to the Company and shareholders caused by directors' mistakes or negligence; after the liability insurance is taken out or renewed, important contents such as the insured amount, the coverage and the insurance premium rate of the liability insurance, shall be submitted to the latest Board of Directors for report.

### **Chapter 5 Managers and Employees**

#### Article 24

The Company shall have several managers. The appointment, dismissal and remuneration standards shall be handled in accordance with Article 29 of the Company Act.

#### Article 25 (Delete)

#### Article 26

During the term of office, managers shall be liability for compensation in accordance with the law within the scope of their performance of business, and authorize the Board of Directors to purchase liability insurance for them in order to reduce and diversify the risk of major damage to the Company and shareholders caused by managers' mistakes or negligence.

## **Chapter 6 Accounting**

### **Article 27**

The Company's fiscal year goes from January 1 to December 31 each year.

At the end of each fiscal year, the Board of Directors shall prepare the following financial statements and submit such to the general shareholder meeting for recognition in accordance with the procedures prescribed by the law:

1. Business report.
2. Financial statements.
3. Proposals for surplus distribution or deficit compensation.

### **Article 28**

If the Company makes a profit during the year, it shall appropriate 10% to 20% thereof based on the profit status for that current year as employee remuneration; and appropriate no more than 10% as director remuneration. However, if the Company still has accumulated losses, such losses shall be compensated.

Employee remuneration may be made with stock or in cash. The targets of the stock or cash distributed may include employees of the controlled or affiliated companies who meet certain criteria.

The profit status for that current year as mentioned in Paragraph 1 shall refer to the benefits of the pre-tax profit before the distribution of employee and director remunerations are deducted therefrom.

The distribution of employee and director remunerations shall be carried out with the resolution of the Board of Directors adopted by the attendance of two-thirds or more of the directors and the consent of more than half of the directors in attendance, which shall be reported to the shareholder meeting.

### **Article 29**

If there is any surplus in the Company's annual final accounts, the distribution thereof shall be as follows:

1. Make up for accumulated losses.
2. Appropriate 10% thereof as the statutory surplus reserve until the cumulative amount has reached the Company's paid-in capital.
3. Make provision or reverse the special surplus reserve in accordance with the Company's operating needs as well as in accordance with laws and regulations.
4. After deducting the amounts in Subparagraphs 1-3, if there is any balance, the dividends distributable on special shares in that current year may have priority in the distribution; if there is any balance, such balance plus the accumulated undistributed surplus of the previous year(s) shall, apart from certain amounts thereof being retained discretionarily, be used as the shareholder bonus. The Board of Directors shall determine the amount of distribution, which shall be submitted to the shareholder meeting for resolution.

Based on the needs of sustainable development, the Company may distribute stock dividends and cash dividends in accordance with the growth rate and capital expenditure situation, provided that cash dividends shall not be less than 50% of the total dividend distribution for that current year.

### **Article 29-1**

The Board of Directors of the Company shall, with the resolution adopted by the attendance of two-thirds or more of the directors and more than half of the directors in attendance, distribute in cash all or part of the dividends and bonuses distributable, capital reserve or statutory surplus reserve, for which the provisions of these Articles of Incorporation regarding resolutions of the shareholder meeting shall not apply.

### **Article 30**

With regard to the director remuneration of the Company, the Board of Directors is authorized to formulate the payment standard in accordance with the common standards of the same trade.

## **Chapter 7   Supplementary Provision**

### **Article 31**

If there are any matters not covered in these Articles of Incorporation, they shall be handled entirely in accordance with the Company Act and relevant laws and regulations.

### **Article 32**

These Articles of Incorporation shall become effective after being adopted by the shareholder meeting in according with the law, and the same shall apply when it is revised.

### **Article 33**

These Articles of Incorporation were formulated on November 19, 1983;

1st revision made on January 21, 1984;2nd revision made on March 24, 1985;3rd revision made on May 27, 1989;4th revision made on September 2, 1989;5th revision made on May 26, 1990;6th revision made on May 11, 1991;7th revision made on September 27, 1991;8th revision made on April 21, 1992;9th revision made on June 22, 1993;10th revision made on May 10, 1994;11th revision made on March 31, 1995;12th revision made on May 2, 1997;13th revision made on April 24, 1998;14th revision made on April 24, 1998;15th revision made on May 19, 1999;16th revision made on May 30, 2000;17th revision made on May 23, 2001;18th revision made on May 29, 2002;19th revision made on May 23, 2003;20th revision made on June 15, 2004;21st revision made on June 10, 2005;22nd revision made on June 14, 2006;23rd revision made on November 16, 2006;24th revision made on June 13, 2007;25th revision made on June 13, 2008;26th revision made on June 16, 2009;27th revision made on June 17, 2011;28th revision made on June 22, 2012;29th revision made on June 19, 2013;30th revision made on June 24, 2016;31st revision made on June 21, 2017;32nd revision made on June 13, 2019;33rd revision made on June 16, 2020;34rd revision made on July 1, 2021;35rd revision made on October 21, 2021;36rd revision made on June 23, 2022.

# **Taiwan-Asia Semiconductor Corporation**

## **Procedure Rules for Shareholder Meetings**

### **Article 1**

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

### **Article 2**

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

### **Article 3** (Convening of shareholder meeting and notice of meeting)

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

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

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

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

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

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

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

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of

the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

#### **Article 4**

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

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

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

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

#### **Article 5** (Principles for the venue and time of the shareholder meeting)

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

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

#### **Article 6** (Document preparation)

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to

handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

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

Attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

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

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

**Article 6-1** (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

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

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

**Article 7** (Chair of the shareholder meeting and non-voting participants)

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 chairperson shall appoint one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.



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

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

**Article 8** (Documentation of a shareholder meeting by audio or video)

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

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

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

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

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

**Article 9**

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

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

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

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

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

**Article 10** (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

After the meeting is adjourned by resolution, the shareholders shall not elect another chairman to continue the meeting at the original address or find another place. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

#### **Article 11 (Shareholder speech)**

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

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

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

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

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

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

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

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

#### **Article 12 (Calculation of voting shares and recusal system)**

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

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

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

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

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

in the calculation.

### **Article 13**

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

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

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except for the proposals listed in the agenda, amendments to the original proposals, alternative proposals, or other proposals proposed by shareholders as interim motions shall be seconded by two or more shareholders. The same applies to changes in the agenda and adjournment of the meeting.

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

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

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

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

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

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

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person,

they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

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

**Article 14** (Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

**Article 15**

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

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

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

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

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

**Article 16** (Public announcement)

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

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

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

**Article 17** (Maintenance of order at the venue)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

**Article 18** (Recess and resumption of a shareholder meeting)

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

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

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

**Article 19** (Disclosure of information at virtual meetings)

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

**Article 20** (Location of the chair and secretary of virtual-only shareholders meeting)

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

**Article 21** (Handling of disconnection)

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

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

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

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

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

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

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

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

**Article 22** (Handling of digital divide)

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

**Article 23**

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

**Article 24**

These Rules were formulated on May 26, 1990.

1st revision made on April 24, 1998.

2nd revision made on May 29, 2002.

3rd revision made on June 17, 2004.

4th revision made on June 24, 2006.

5th revision made on June 16, 2020.

6th revision made on June 23, 2022.

# **Taiwan-Asia Semiconductor Corporation**

## **Procedures for Election of Directors**

Article 1: The election of the directors of the Company shall be in accordance with these Rules.

Article 2: The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 3: The candidates who receive the most votes for the position of director shall win the election, and such number shall be in compliance with the number of positions for director set forth in the Articles of Incorporation. The independent directors and non-independent directors shall be elected at the same election with the number of independent directors elect and that of the general directors elect counted separately. The election of independent directors of this Corporation shall comply with Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 4: The person with the right to convene shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 5: Before the election begins, the chair shall appoint a number of people to perform the respective duties of voting monitors and ballot counters. The person who monitors the voting shall be a shareholder.

Article 6: For the election of directors, the ballot boxes shall be prepared by the person with the right to convene, and the voting monitors shall publicly check such ballot boxes before voting commences.

Article 7: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.
6. Where the number of the candidates listed on the same ballot exceeds the prescribed number, or the total number of votes cast by the elector exceeds the total number of votes held by the elector.

Article 8: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of

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

Article 9: Matters not specified in these Guidelines shall be all handled in accordance with the Company Act and relevant laws and regulations.

Article 10: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 11: Made on May 26, 1990.

1<sup>st</sup> amendment made, March 31, 1995.

2<sup>nd</sup> amendment made, May 29, 2002.

3<sup>rd</sup> amendment made, June 24, 2016.

4<sup>th</sup> amendment made, July 1, 2021.



## Director Shareholding Status

**I. The percentages and numbers of statutory shares held by all Company directors are described as follows:**

1. In accordance with Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if a public company has elected two or more independent directors, the shareholding ratio calculated at the rates thereby for all directors and supervisors other than the independent directors shall be decreased to 80 percent.
2. Number of ordinary shares issued by the Company: 438,622,846 shares.
3. Number of minimum shares required by the law to be held by all directors: 16,000,000 shares.

**II. As of the date of suspending the transfer of shares for the Shareholder meeting 2024 (March 30, 2024), the number of shares held by all directors is as follows, which meets the minimum percentage requirement stipulated in Article 26 of the Securities and Exchange Act.**

Title	Name	Number of Shares	Shareholding %
Chairman	H.T. Wang	1,937,625	0.44
Vice Chairman	Tsun-Chia Tai	0	0
Director	Kuo-Kuang Li	0	0
Director	Nichia Taiwan Corporation. Rep. of legal person: Ishigami Koji	88,811,822	20.25
Independent Director	Tsai Shih-Kuang	0	0
Independent Director	Dong Laie	0	0
Independent Director	Wu Chien-Chih	15,000	0
Total		90,764,447	20.69



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