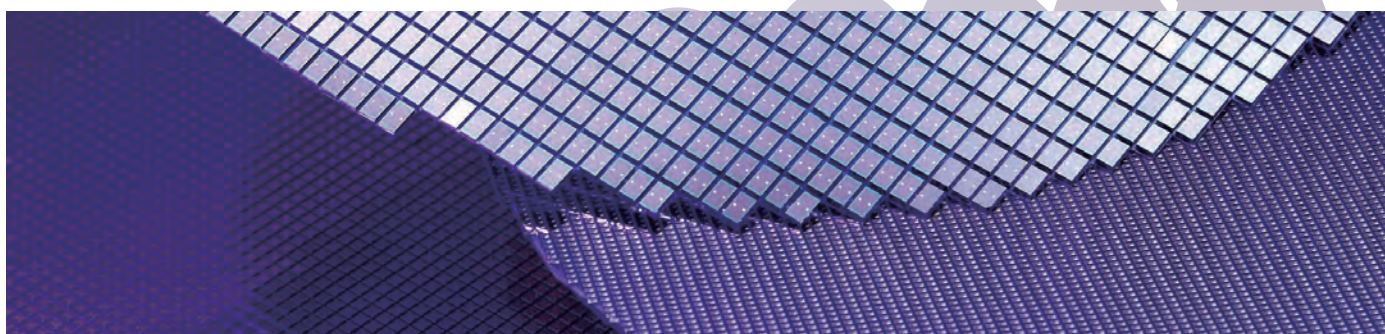




## **Taiwan-Asia Semiconductor Corporation**

(Formerly named: OPTO TECH CORPORATION)

Stock Code : 2340



2022

Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Convening method :

Entity Shareholders' Meeting

Date: June 23, 2022

Place: No. 773, Ming-Hu Road, Hsinchu, 300, Taiwan  
(Lakeshore Hotel Hsinchu Leith Castle-Apollo III B1)

### **Important Disclaimer**

This is a sample annual meeting handbook intended as general guide for listed companies in preparing an English-language Handbook for the meeting. This sample handbook contains some common agenda items, explanatory material, and related terminology for reference purposes only, and is not intended to include all of the matters that may be required for any particular company. Readers are urged to review the law (including the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies) applicable to their company and should provide English language content that is complete and consistent with the original content of the Chinese-language handbook for the Annual Meeting of Shareholders.

**Taiwan-Asia Semiconductor Corporation**  
**( OPTO TECH CORPORATION )**  
**Handbook for the 2022 General Meeting of Shareholders**  
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I. Meeting type: Entity Shareholders Meeting

II. Time: 9:00 a.m., June 23, 2022

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

(Lakeshore Hotel Hsinchu Leith Castle – Apollo III B1)

IV. Agenda

**1. Meeting called to order**

**2. Report Items:**

(1) 2021 Business Report (Please refer to pages 5-9 of this Handbook for details.)

(2) 2021 Audit Committee Report (Please refer to page 10 of this Handbook for details.)

(3) Distribution of Remuneration to Employees and Directors Report 2021

Description:

In accordance with the Articles of Incorporation, the Company's Board of Directors has approved appropriating the amount of NT\$187,978,357 (14.93%) as employee remuneration and the amount of NT\$62,659,452 (4.98%) as director remuneration based on the profit status of the year 2021. 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) 2021 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 2021 is appropriated to be the shareholder bonus in the amount of NT\$1,008,832,546, which is to be distributed by way of cash dividends of approximately NT\$2.3 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.

(5) Report on Disposal of Shares for Mainland subsidiary Shaoxing Opto Plus Technology Co. Ltd. (resolutions from 2021 extraordinary shareholders' meeting).

Description:

- 1) After the 1st extraordinary shareholders' meeting in 2021, the Company passed the resolution to dispose of all shares from Shaoxing Opto Plus Technologies Co. (hereinafter referred to as Opto Plus) at no less than 33,000 thousand RMB.
- 2) In order to ensure the smooth disposal of shares, Opto Plus has applied for a loan of US\$ 3,150 thousand with the Company to pay off the bank loan, in which the Company was used as the guarantor. This will help Opto Plus settle its external legal obligations.
- 3) The aforementioned loan will allow Opto Plus to repay its loan with the bank, and the Company will no longer need to serve as a guarantor, therefore it is essentially handling the Company's debt. After Opto Plus's shares are disposed of, if it is confirmed that they would not be able to pay off this debt, then the company will renounce its rights to the amount mentioned in Paragraph 2.
- 4) The Company has already contacted suitable trading counterparties, and will make a separate public announcement after the share disposal of Opto Plus.

### **3. Proposed Resolutions:**

Proposal 1: The 2021 Financial Statements and Business Report are hereby submitted for recognition. (Proposed by: Board of Directors)

Description:

- 1) The Company's 2021 Financial Statement have been completed with the review conducted by the accountants, Tsai-Yen Chiang and Lai Tsung-hsi of PricewaterhouseCoopers Taiwan, and such Statement has been submitted with the 2021 Business Report and completed with the review by the Audit Committee. (Please refer to pages 11-29 of this Handbook.)
- 2) Motion is made to submit the foregoing statements and report for recognition.

Resolution:

Proposal 2: The distribution of the 2021 surplus is hereby submitted for recognition. (Proposed by: Board of Directors)

Description:

- 1) The distribution of the Company's 2021 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 2021 Surplus Distribution is attached in detail. (Please refer to page 30 of this Handbook.)

Resolution:

Proposal 3: A revision to the Company's Articles of Incorporation is hereby submitted for discussion. (Proposed by: Board of Directors)

Description:

Certain provisions of the Company's Articles of Incorporation are proposed to be amended pursuant to the "Company Act" and due to business needs; the Comparison Table of Amendments is attached hereto in detail. (Please refer to pages 31 of this Handbook.)

Resolution:

Proposal 4:Cause of motion: A revision to the Company’s Regulations Governing the Acquisition and Disposal of Assets is hereby submitted for discussion. (Proposed by: Board of Directors)

Description:

The Amendment is based on the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated by SFC on January 28, 2022 (Ref.1110380465); the Comparison Table of Amendments is attached hereto in detail. (Please refer to pages 32-35 of this Handbook.)

Resolution:

Proposal 5:Cause of motion: A revision to the Company’s Rules of Procedure for Shareholders Meetings is hereby submitted for discussion. (Proposed by: Board of Directors)

Description:

The Amendment is based on the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” promulgated by TWSE on March 8, 2022 (Ref.1110004250); a Comparison Table of Amendments is attached hereto in detail. (Please refer to pages 36-44 of this Handbook.)

Resolution:

#### **4. Extemporaneous motions:**

#### **5. Meeting adjourned**

# 【 Business Report 】

## 1.2021 Business Results:

### (1) Implementation results from 2021 Business Plan:

- 1) Cooperate with the Company's operation transformation, develop towards the optoelectronic semiconductor industry, and comprehensively improve the automatic operation and production.
- 2) The establishment and integration of fully automated AI process testing equipment has been completed. For the existing standard product production lines, the production efficiency, process yield and automation have been continuously improved to enhance the market competitiveness of standard products.
- 3) Develop a system integrated technical service platform and build a production interface that can be mass-produced to meet the special application needs in the market such as Internet sensing, wearable devices, and industrial automation.
- 4) Stable production of die for MPD sensing applications, keeping in line with customer specifications, and increasing product competitiveness and customer orders.
- 5) For the system business group, combined with the global customer needs and market trends, it develops technologically innovative and futuristic products, integrates local and regional supply chains, and leverages Taiwan's manufacturing advantages. In 2021, it was split into a 100% subsidiary of the Company.
- 6) Overall, total 2021 operating revenue reached NT\$6.143 billion, with after-tax net profit of NT\$829,373,000, and earnings per share of NT\$2.11.

### (2) 2021 budget implementation status:

Unit: Millions

Primary product	2021 sales figures	
	Projected	Actual
Light-emitting components	10,222	13,633
Sensing components	29,675	30,378
Total	39,897	44,011

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

Unit: NT\$ thousands

Figure	2021
Net operating revenue	6,143,243
Operating profit	1,010,788
Pre-tax income (%)	1,012,679
Interest expenses	15,908
Interest expenses as proportion of operating profit (%)	1.57%

Unit: NT\$ thousands; %

Year/figure		2021
Basic figure	Aggregate liabilities	2,647,841
Financial structure	Equity capital ratio	78.55%
	Liabilities as proportion of assets	21.45%
	Long-term funds as proportion of real estate, factories and equipment	379.05%
Debt servicing capacity	Current ratio	341.99%
	Quick ratio	280.91%
	Times interest earned ratio	64.66

#### (4) Research & development

- 1) Make strategic alliances with suppliers of GaAs and InP substrate materials and LED and LD epi-wafers to achieve vertical integration and complementarity of epi-wafers and die products, in order to steadily expand market share.
- 2) Combined with the extension of the application market of SWIR emitting elements (VCSEL & LED) and sensing elements (MPD), developing smart wearable devices with health detection function, which obtains data such as blood sugar, hydration and sweat of the users through optical method.
- 3) Aim at the emitting (LED) and sensing element (PD) of NIR wearable devices such as smart watches, the proximity sensing element (PD) of Bluetooth headsets, and the time-of-flight (ToF) emitting (VCSEL) and sensing element (APD) of smart home appliances such as robot vacuum cleaners, as well as other niche markets.
- 4) Advancement toward high-performance PTR and Power Triac key development projects for industrial automation applications, which is different from the traditional white goods opticalcoupler application market.

## 2. 2022 operating plan:

#### (1) Operations program:

- 1) Continue to move towards the smart health management business opportunities combined with wearable devices and the application market of sensing elements, and expand to the fields such as vehicles, mobile devices, and industrial applications.
- 2) Layout in the application and development of next-generation sensing elements, collaborating with strategic partners, turning to high-growth, high-tech, niche products and markets, and striving to create a system and technology integration service platform for one-stop supply of sensing elements and emitting elements.
- 3) According to the characteristics of the product, we carry out the development of epitaxial materials, the R&D design and specification formulation of new components and new processes, the setting of process parameters for mass production, the improvement and enhancement of process technology, the control of process capabilities, and the improvement of yield, etc. in order to meet the needs of the customers.



(2) Projected sales volume and basis:

According to TrendForce's 2022 infrared sensing market and brand strategy analysis, various key topics - such as the Metaverse, Advanced Driver Assistance Systems/Autonomous Driving, In-Vehicle Sensing - Driving/Occupant Monitoring, and Industrial Automation will rapidly ferment in 2022. The Company's projected 2022 operating goals are as follows:

Unit: Millions

Primary product	2022 projected sales volume
Light-emitting components	16,714
Sensing components	35,278
Total	51,992

(3) Major production & sales policies:

- 1)The establishment of integrated production automation and process automation, corresponding to the evaluation of new product chip development and special packaging verification for each business center, which helps new product output and customer rapid verification to achieve a win-win situation between supply and demand.
- 2)Integrate the independent materials (epitaxy, chips) and advanced packaging process technology and system module development advantages of silicon, providing customers with cost-effective packaging or module products.
- 3)Develop and reserve new product process technology and build a production platform that can be mass-produced to meet the special application needs in the market such as Internet sensing, wearable devices, and industrial automation.

**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 competition of traditional LEDs has been fierce. In order to get out of the red sea market of price cutting competition, the Company has actively transformed and laid out the application market of next-generation sensing elements. With the advent of the era of Industry 4.0, the development relevant to smart sensing elements has been carried out. Using the intelligent sensing method, the environmental parameters are sensed through biometric identification, voice recognition, various radars, etc., to collect relevant data in a more accurate way, and convert it into a judgment basis for subsequent information by the receiving end. And as the Metaverse topic goes viral, it once again drives the popularity of augmented reality (AR) and virtual reality (VR), as well as the Foveated Rendering technology, combined with 5G, edge computing, AI tools, virtual applications, sensor design, etc., supplemented by visual, acoustic, environmental and other intelligent sensing information collection, and with the accurate feedback design, achieving a Cyber-Physical System (CPS) world with good interactive effects, which is predicted to be the focus of further development and investment of various manufacturers in the future; according to TrendForce estimates, the global virtual reality application content market would have reached US\$2.16 billion in 2021 and will reach US\$8.31 billion by 2025, with a compound annual growth rate of 40%.

(2) Influences from external competitive environment:

In 2021, with the popularization of the COVID-19 vaccine, countries around the world had successively adopted economic recovery plans. However, during this transitional period, with multiple shocks such as insufficient supply of raw materials, shipping and inflation, the strength of the global economic recovery in 2022 will be dispersed. Under many uncertain factors, governments of various countries have realized their over-reliance on the import of semiconductor products and lack of semiconductor manufacturing capacity. Therefore, they have been promoting the development plan of the semiconductor industry and establishing an autonomous and controllable semiconductor supply chain. Although it has little impact on Taiwan in the short term, in the long run, it is bound to pose a threat to Taiwan's semiconductor industry and manufacturers.

(3) Influences from the regulatory environment:

With the rising awareness of environmental protection and energy saving, various environmental protection policies such as low-carbon, low-emission, and stricter fuel consumption regulations have been adopted successively around the world. The era of banning the sale of fuel vehicles is approaching. Various car manufacturers have in turn established their electric vehicle market share and launched various models to respond. DIGITIMES Research also predicted that the global penetration rate of electric vehicles will exceed 30% in 2025. Therefore, driven by this trend of electric vehicles, a lot of impact has been caused on the industry chain. The mainstream of the automobile market will become electric vehicles, and it will also turn into a competition among various car manufacturers in different functions of electric vehicles, which will increase the requirements for chip computing and sensing performance. It is estimated that several semiconductor manufacturers will benefit under this environmental protection trend.

(4) Influences from the overall operating environment:

Affected by the COVID-19 pandemic in the past few years, the demand for home economy and non-contact products has been growing, resulting in strong demand for terminal products such as laptops, smart phones, and smart wearable devices, which has also spawned the development of various new technologies and innovative products. It not only changed the previous operation modes of life, business, and medical care, but also made the semiconductor industry chain face changes. The panic stocking caused by the pandemic has led to a serious shortage of materials, and the fluctuating pandemic situation has resulted in long and short materials in the supply chains. Furthermore, with the impact of the power rationing policy in China, the lockdown and the critical shipping situation around the world, in addition to more chances and business opportunities for the sensing element semiconductors in 2022, they will also face different challenges than before under various uncertainties.

Facing the rapid revolution of global technology and the importance attached by various countries to the semiconductor industry chain, the Company has also been actively transforming in recent years, and changed the company name to “Taiwan-Asia Semiconductor Corporation (TASC)” in 2021. With our core value of “study hard, think hard, and work hard to create the best product in the world”, we welcome a new and innovative future. Thanks to all colleagues, customers, suppliers and shareholders for their support along the way. Looking forward to 2022, TASC will continue to cautiously face various challenges, expand its industrial territory, and aim at sustainable operation to create more brilliant achievements.

Chairman: H.T.Wang

President: David Hung

Chief Accountant: Chen, Yin-Jui

## **【Audit Committee Report】**

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and the Proposal for profit appropriation. The CPA Tsai-Yen Chiang and Lai, Chung-Hsi from PricewaterhouseCoopers 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 2022

Taiwan-Asia Semiconductor Corporation  
Chair of the Audit Committee:  
Tsai Shih-Kuang

Date: May 12th, 2022

**INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE**

To the Board of Directors and Shareholders of Opto Tech Corporation

***Opinion***

We have audited the accompanying consolidated balance sheets of Opto Tech Corporation and subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Interpretations as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's 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 Accountants 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

**Key audit matter- Allowance for inventory valuation losses****Description**

Please refer to Note 4(12) for accounting policies on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty on inventory valuation, and Note 6(6) for details of allowance for inventory valuation losses. As of December 31, 2021, the balances of inventories and allowance for inventory valuation losses were NT\$ 1,366,749 thousand and NT\$ 96,756 thousand, respectively.

As the value of the Group's inventories are effected by market prices and product life cycles, there is a higher risk of obsolescence. For inventories aged over a certain period of time and individually identified as obsolete, the net realisable value is estimated based on historical data of inventory closeout. The net realisable value utilised in evaluating obsolete inventories involves uncertainty of estimation as it is subject to management's judgment. Since inventories and allowance for inventory valuation losses were material to the consolidated financial statements, it was identified as a key audit matter.

**How our audit addressed the matter**

We performed the following audit procedures in respect of the above key audit matter:

Assessed the reasonableness of policies and procedures in the provision of allowance for inventory valuation losses and the reasonableness in the identification of obsolete inventories; validated the appropriateness of system logic of inventory aging report in order to confirm the compliance with respective policies; and

assessed the reasonableness of the Group's determination of the provision of allowance for inventory valuation losses through obtaining assessment documents and supporting evidences in relation to individually identified obsolete or damaged inventories from management.

### **Key audit matter- Estimation of fair values of unlisted securities without active market**

#### Description

Please refer to Note 4(7)(8) for accounting policies on financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income or loss, Note 5(2) for accounting estimates and assumption uncertainty on estimation of financial assets-fair value measurement of unlisted stocks without active market, and Note 6(2)(4),12(3) for details of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income or loss. As of December 31, 2021, the carrying amount of unlisted securities without active market was NT\$899,053 thousand.

For unlisted securities without active market held by the Group, management assesses their fair values through market approach or asset-based approach and takes into account the discount for liquidity. Since the valuation method is subject to management's judgment and involves uncertainty, which would affect fair value, it was identified as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

Assessed the reasonableness of valuation method and parameters referred to in the appraisal report by the independent appraiser who was engaged by the management, including the net assets value measured at fair value, comparability and market liquidity of comparable companies; and assessed the reasonableness of price multipliers and discounts for liquidity in the market.

### ***Other matter-Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Opto Tech Corporation as at and for the years ended December 31, 2021 and 2020.

### ***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 Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditor's responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Chiang, Tsai-Yen

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Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan  
February 23, 2022

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**OPTO TECH CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 3,467,411	28	\$ 3,100,161	29
Financial assets at fair value through profit or loss - current	6(2)	714,461	6	320,419	3
Current financial assets at amortised cost, net	6(3) and 8	820,785	7	22,810	-
Notes receivable, net	6(5)	4,883	-	8,873	-
Accounts receivable - net	6(5)	1,270,884	10	1,634,913	16
Accounts receivable - related parties - net	6(5) and 7	15,015	-	16,880	-
Other receivables		16,027	-	20,218	-
Inventories - net	6(6)	1,269,993	10	1,155,589	11
Prepayments		102,351	1	24,202	-
Other current assets		1,673	-	2,435	-
<b>Current Assets</b>		<b>7,683,483</b>	<b>62</b>	<b>6,306,500</b>	<b>59</b>
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss-non-current	6(2)	112,528	1	106,990	1
Financial assets at fair value through other comprehensive income or loss-non-current	6(4)	1,037,218	8	783,998	7
Investments accounted for using equity method	6(7)	65,646	1	5,394	-
Property, plant and equipment - net	6(8) and 7	2,664,220	22	2,705,133	26
Right-of-use assets	6(9)	216,448	2	236,135	2
Investment property, net	6(10)	399,307	3	399,307	4
Intangible assets	6(11)	14,040	-	14,318	-
Deferred tax assets	6(29)	46,348	-	48,337	1
Other non-current assets	6(31) and 7	106,121	1	35,315	-
<b>Non-current assets</b>		<b>4,661,876</b>	<b>38</b>	<b>4,334,927</b>	<b>41</b>
<b>Total assets</b>		<b>\$ 12,345,359</b>	<b>100</b>	<b>\$ 10,641,427</b>	<b>100</b>

(Continued)



**OPTO TECH CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
Short-term loans	6(12)	\$ 334,047	3	\$ 230,758	2
Financial liabilities at fair value through profit or loss - current	6(2)	-	-	799	-
Notes payable		-	-	1,757	-
Accounts payable		783,125	6	665,926	6
Accounts payable - related parties	7	60,499	-	51,920	1
Other payables	6(13) and 7	765,708	6	619,042	6
Current income tax liabilities		186,710	2	25,969	-
Provisions for liabilities - current	6(17)	6,831	-	4,033	-
Current lease liabilities	7	19,103	-	19,560	-
Long-term liabilities, current portion	6(14)	-	-	62,960	1
Other current liabilities	6(22) and 7	90,669	1	50,840	-
<b>Current Liabilities</b>		<u>2,246,692</u>	<u>18</u>	<u>1,733,564</u>	<u>16</u>
<b>Non-current liabilities</b>					
Long-term loans	6(14)	-	-	748,555	7
Provisions for liabilities - non-current	6(17)	19,068	-	18,808	-
Deferred tax liabilities	6(29)	33,178	-	42,986	1
Non-current lease liabilities	7	199,148	2	216,706	2
Other non-current liabilities	6(15)	149,755	1	187,482	2
<b>Total non-current liabilities</b>		<u>401,149</u>	<u>3</u>	<u>1,214,537</u>	<u>12</u>
<b>Total Liabilities</b>		<u>2,647,841</u>	<u>21</u>	<u>2,948,101</u>	<u>28</u>
<b>Equity attributable to owners of parent</b>					
Capital	6(18)				
Common stock		4,386,228	36	3,786,228	35
Capital Reserve	6(19)				
Capital surplus		1,489,822	12	703,108	7
Retained Earnings	6(20)				
Legal reserve		786,944	6	729,360	7
Special reserve		2,423	-	3,743	-
Unappropriated earnings		2,645,077	21	2,361,920	22
Other Equity Adjustments	6(21)				
Other equity interest		438,344	4	187,351	2
Treasury stocks	6(16)(18)				
Treasury stocks		( 54,954 )	-	( 82,021 )	( 1 )
<b>Equity attributable to owners of parent</b>		<u>9,693,884</u>	<u>79</u>	<u>7,689,689</u>	<u>72</u>
Non-controlling interest		3,634	-	3,637	-
<b>Total equity</b>		<u>9,697,518</u>	<u>79</u>	<u>7,693,326</u>	<u>72</u>
Significant contingent liabilities and unrecognised contract commitments	9				
Significant events after the balance sheet date	11				
<b>Total liabilities and equity</b>		<u>\$ 12,345,359</u>	<u>100</u>	<u>\$ 10,641,427</u>	<u>100</u>

**OPTO TECH CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(22) and 7	\$ 6,143,243	100	\$ 5,590,046	100
Operating costs	6(6)(16)(27)(28) and 7	( 4,166,464)	( 68)	( 3,946,488)	( 71)
Gross profit, net		<u>1,976,779</u>	<u>32</u>	<u>1,643,558</u>	<u>29</u>
Operating expenses	6(16)(27)(28)				
Selling expenses		( 120,338)	( 2)	( 127,614)	( 2)
General and administrative expenses		( 703,121)	( 11)	( 489,207)	( 9)
Research and development expenses		( 140,334)	( 2)	( 335,103)	( 6)
Expected credit loss on financial assets	12(2)	( 2,198)	-	( 2,487)	-
Total operating expenses		( 965,991)	( 15)	( 954,411)	( 17)
Operating profit		<u>1,010,788</u>	<u>17</u>	<u>689,147</u>	<u>12</u>
Non-operating income and expenses					
Interest income	6(23)	9,179	-	11,234	-
Other income	6(24)	55,393	1	55,611	1
Other gains and losses	6(25)	( 40,966)	( 1)	( 108,250)	( 2)
Finance costs	6(26)	( 17,226)	-	( 27,611)	-
Share of loss of associates and joint ventures accounted for under equity method	6(7)	( 4,489)	-	( 375)	-
Total non-operating income and expenses		<u>1,891</u>	<u>-</u>	<u>( 69,391)</u>	<u>( 1)</u>
<b>Profit before income tax</b>		<u>1,012,679</u>	<u>17</u>	<u>619,756</u>	<u>11</u>
Income tax expense	6(29)	( 183,306)	( 3)	( 44,627)	( 1)
<b>Net income</b>		<u>\$ 829,373</u>	<u>14</u>	<u>\$ 575,129</u>	<u>10</u>

(Continued)

**OPTO TECH CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gains (losses) on remeasurements of defined benefit plans	6(15)	\$ 31,220	-	\$ 656	-
Unrealised (loss) gains on valuation of financial assets at fair value through other comprehensive income	6(4)(21)	238,220	4	( 137,595 )	( 2 )
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	1,779	-	40,217	1
Total other comprehensive income that will not be reclassified to profit or loss, net of tax		271,219	4	( 96,722 )	( 1 )
<b>Items that will be reclassified to profit or loss</b>					
Currency translation differences of foreign operations	6(21)	4,751	-	5,091	-
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(7)(21)	( 340 )	-	218	-
Total other comprehensive income(loss) that will be reclassified to profit or loss, net of tax		4,411	-	5,309	-
<b>Other comprehensive (loss) income that will be reclassified to profit or loss, net of tax</b>		\$ 275,630	4	( \$ 91,413 )	( 1 )
<b>Total comprehensive income for the year</b>		<u>\$ 1,105,003</u>	<u>18</u>	<u>\$ 483,716</u>	<u>9</u>
Profit (loss), attributable to:					
Owners of the parent		\$ 829,371	14	\$ 575,133	10
Non-controlling interest		2	-	( 4 )	-
		<u>\$ 829,373</u>	<u>14</u>	<u>\$ 575,129</u>	<u>10</u>
Total comprehensive income (loss) attributable to:					
Owners of the parent		\$ 1,105,006	18	\$ 483,720	9
Non-controlling interest		( 3 )	-	( 4 )	-
		<u>\$ 1,105,003</u>	<u>18</u>	<u>\$ 483,716</u>	<u>9</u>
Earnings per share					
Profit for the year	6(30)	<u>\$ 2.11</u>		<u>\$ 1.52</u>	
Diluted earnings per share					
Profit for the year	6(30)	<u>\$ 2.09</u>		<u>\$ 1.49</u>	

**OPTO TECH CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Note	Equity attributable to owners of the parent										
		Retained Earnings					Other equity interest					
		Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
<u>2020</u>												
Balance at January 1, 2020		\$3,786,228	\$702,965	\$669,312	\$ 8,392	\$1,841,48	( \$ 9,372 )	\$288,841	( \$ 23,172 )	\$7,264,675	\$ 3,641	\$7,268,316
Net income for the year		-	-	-	-	575,133	-	-	-	575,133	( 4 )	575,129
Other comprehensive income (loss) for the year	6(4)(15)(21)	-	-	-	-	525	5,309	( 97,247 )	-	( 91,413 )	-	( 91,413 )
Total comprehensive income		-	-	-	-	575,658	5,309	( 97,247 )	-	483,720	( 4 )	483,716
Distribution of 2019 earnings:	6(20)											
Legal reserve		-	-	60,048	-	( 60,048 )	-	-	-	-	-	-
Special reserve		-	-	-	( 4,649 )	4,649	-	-	-	-	-	-
Liquidation of the subsidiary		-	143	-	-	-	-	-	-	143	-	143
Disposal of financial assets at fair value through	6(4)(19)	-	-	-	-	180	-	( 180 )	-	-	-	-
Stock repurchased	6(18)	-	-	-	-	-	-	-	( 58,849 )	( 58,849 )	-	( 58,849 )
Balance at December 31, 2020		\$3,786,228	\$703,108	\$729,360	\$ 3,743	\$2,361,921	( \$ 4,063 )	\$191,414	( \$ 82,021 )	\$7,689,689	\$ 3,637	\$7,693,326
<u>2021</u>												
Balance at January 1, 2021		\$3,786,228	\$703,108	\$729,360	\$ 3,743	\$2,361,921	( \$ 4,063 )	\$191,414	( \$ 82,021 )	\$7,689,689	\$ 3,637	\$7,693,326
Net income for the year		-	-	-	-	829,371	-	-	-	829,371	2	829,373
Other comprehensive income (loss) for the year	6(4)(15)(21)	-	-	-	-	24,977	4,416	246,242	-	275,635	( 5 )	275,630
Total comprehensive income		-	-	-	-	854,348	4,416	246,242	-	1,105,006	( 3 )	1,105,003
Distribution of 2020 earnings	6(20)											
Legal reserve		-	-	57,584	-	( 57,584 )	-	-	-	-	-	-
Special reserve		-	-	-	( 1,320 )	1,320	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 514,927 )	-	-	-	( 514,927 )	-	( 514,927 )
Proceeds from issuance of shares	6(18)	600,000	775,800	-	-	-	-	-	-	1,375,800	-	1,375,800
Stock repurchased	6(18)	-	-	-	-	-	-	-	( 162,408 )	( 162,408 )	-	( 162,408 )
Treasury shares transferred to employees	6(18)(19)	-	13,968	-	-	-	-	-	189,475	203,443	-	203,443
Proceeds from disposal of investment accounted for 6(3) using equity method of the subsidiary		-	-	-	-	-	335	-	-	335	-	335
Other changes in capital surplus:	6(19)											
Changes in long-term investment		-	( 4,105 )	-	-	-	-	-	-	( 4,105 )	-	( 4,105 )
Adjustments of capital surplus for the Company's 6(19) cash dividends received by subsidiaries		-	1,051	-	-	-	-	-	-	1,051	-	1,051
Balance at December 31, 2021		\$4,386,228	\$1,489,822	\$786,944	\$ 2,423	\$2,645,07	\$ 688	\$437,656	( \$ 54,954 )	\$9,693,884	\$ 3,634	\$9,697,518

**OPTO TECH CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,012,679	\$ 619,756
Adjustments			
Income and expenses having no effect on cash flows			
Expected credit losses on financial assets	12(2)	2,198	2,487
Depreciation	6(8)(9)(27)	454,344	457,472
Amortization	6(11)(27)	18,122	15,090
Net profit on financial assets and liabilities at fair value through profit or loss	6(2)(25)	( 39,404 )	( 473 )
Interest expense	6(26)	15,908	26,492
Interest income	6(23)	( 9,179 )	( 11,234 )
Dividend income	6(24)	( 18,763 )	( 14,454 )
Share of profit of associates accounted for using equity method	6(7)	4,489	375
Loss on disposals of investments	6(7)(25)	1,591	5,443
Loss on disposal of property, plant and equipment	6(8)(25)	234	30,897
Gain on lease termination	6(9)(25)	-	( 5 )
Impairment loss on non-financial assets	6(8)(25)	77,577	35,585
Share-based payments	6(16)	105,473	-
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Acquisition of financial assets at fair value through profit or loss		( 360,975 )	( 150,000 )
Notes receivable - net		3,990	4,178
Accounts receivable - net		361,831	( 222,237 )
Accounts receivable - related parties - net		1,865	15,908
Other receivables		4,782	( 5,120 )
Inventories - net		( 114,404 )	84,109
Current prepayments		( 78,149 )	20,900
Other current assets		762	1,014
Other non-current assets		3,370	7,337
Net changes in liabilities relating to operating activities			
Notes payable		( 1,757 )	1,751
Accounts payable		117,199	14,859
Accounts payable - related parties		8,579	( 26,771 )
Other payables		148,048	71,456
Other current liabilities		39,829	15,334
Net defined benefit liability		( 8,618 )	( 12,595 )
Provisions for liabilities		3,058	( 1,171 )
Cash inflow generated from operations		1,754,679	986,383
Interest received		8,588	11,930
Dividends received		18,763	17,671
Interest paid		( 17,290 )	( 27,894 )
Income tax paid		( 28,606 )	( 79,345 )
Net cash flows from operating activities		1,736,134	908,745

(Continued)

**OPTO TECH CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of current financial assets at amortised cost	6(3)	( \$ 797,975 )	\$ -
Acquisition of available-for-sale financial assets		( 15,000 )	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(4)	-	3,780
Acquisition of investments accounted for using the equity method	6(7)	( 70,000 )	-
Proceeds from disposal of investment accounted for using equity method	6(7)	3,663	-
(Increase)decrease deposits-out		( 5,969 )	4,784
Acquisition of property, plant and equipment	6(8)(31)	( 537,327 )	( 301,152 )
Acquisition of investment property	6(10)	-	( 399,307 )
Proceeds from disposal of property, plant and equipment		144	1
Acquisition of intangible assets	6(11)	( 17,844 )	( 15,179 )
Net cash flows used in investing activities		( 1,440,308 )	( 707,073 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans	6(32)	952,423	666,529
Decrease in short-term loans	6(32)	( 849,134 )	( 685,411 )
Decrease in long-term loans	6(32)	( 811,515 )	( 2,989 )
Repayments of principal portion of lease liabilities	6(32)	( 19,732 )	( 20,221 )
Decrease in guarantee deposits	6(32)	2,111	( 676 )
Stock repurchased	6(18)	( 162,408 )	( 58,849 )
Proceeds from issuance of shares	6(18)	1,375,800	-
Cash dividends paid	6(20)	( 513,876 )	-
Treasury shares transferred to employees	6(18)	97,970	-
Net cash flows from (used in) financing activities		71,639	( 101,617 )
Effect of change in exchange rate		( 215 )	2,641
Net increase in cash and cash equivalents		367,250	102,696
Cash and cash equivalents at beginning of year		3,100,161	2,997,465
Cash and cash equivalents at end of year		<u>\$ 3,467,411</u>	<u>\$ 3,100,161</u>

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Opto Tech Corporation

### *Opinion*

We have audited the accompanying parent company only balance sheets of Opto Tech Corporation (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the the Norm of Professional Ethics for Certified Public Accountants 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 judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements of the current period are stated as follows:

#### **Key audit matter- Allowance for inventory valuation losses**

##### Description

Please refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty on inventory valuation, and Note 6(6) for details of allowance for inventory valuation losses. As of December 31, 2021, the balances of inventories and allowance for inventory valuation losses were NT\$ 1,273,340 thousand and NT\$ 58,295 thousand, respectively.

As the value of the Company's inventories are affected by market prices and product life cycles, there is a higher risk of obsolescence. For inventories aged over a certain period of time and individually identified as obsolete, the net realisable value is estimated based on historical data of inventory closeout. The net realisable value utilised in evaluating obsolete inventories involves uncertainty of estimation as it is subject to management's judgement. Since inventories and allowance for inventory valuation losses were material to the parent company only financial statements, it was identified as a key audit matter.

##### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

Assessed the reasonableness of policies and procedures in the provision of allowance for inventory valuation losses and the reasonableness in the identification of obsolete inventories; validated the appropriateness of system logic of inventory aging report in order to confirm the compliance with respective policies; and assessed the reasonableness of the Company's determination of the provision of allowance for inventory valuation losses through obtaining assessment documents and supporting evidences in relation to individually identified obsolete or damaged inventories from management.

## **Key audit matter- Estimation of fair values of unlisted securities without active market**

### Description

Please refer to Note 4(6)(7) for accounting policies on financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income or loss, Note 5(2) for accounting estimates and assumption uncertainty on estimation of financial assets-fair value measurement of unlisted stocks without active market, and Note 6(2) (4),12(3) for details of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income or loss. As of December 31, 2021, the carrying amount of unlisted securities without active market was NT\$899,053 thousand.

For unlisted securities without active market held by the Company, management assesses their fair values through market approach or asset-based approach and takes into account the discount for liquidity. Since the valuation method is subject to management's judgement and involves uncertainty, which would affect fair value, it was identified as a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

Assessed the reasonableness of valuation method and parameters referred to in the appraisal report by the independent appraiser who was engaged by the management, including the net asset values measured at fair value, comparability and market liquidity of comparable companies; assessed the reasonableness of price multipliers and discounts for liquidity in the market.

### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

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

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

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

### ***Auditor's responsibilities for the audit of the parent company only financial statements***

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Chiang, Tsai-Yen

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Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan  
February 23, 2022

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**OPTO TECH CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 3,017,141	25	\$ 2,857,629	27
Financial assets at fair value through profit or loss - current	6(2)	571,389	4	320,419	3
Current financial assets at amortised cost, net	6(3)	820,785	7	22,810	-
Notes receivable, net	6(5)	4,883	-	8,873	-
Accounts receivable, net	6(5)	1,236,081	10	1,602,380	16
Accounts receivable - related parties- net	6(5) and 7	19,062	-	21,009	-
Other receivables		15,739	-	19,689	-
Inventories - net	6(6)	1,215,045	10	1,126,850	11
Prepayments		98,558	1	64,449	1
Other current assets		1,428	-	817	-
<b>Current Assets</b>		<b>7,000,111</b>	<b>57</b>	<b>6,044,925</b>	<b>58</b>
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss - non-current	6(2)	112,528	1	106,990	1
Financial assets at fair value through other comprehensive income or loss - non-current	6(4)	1,037,218	9	783,998	8
Investments accounted for using the equity method	6(7)	720,010	6	246,899	2
Property, plant and equipment	6(8)	2,537,066	21	2,568,311	25
Right-of-use assets	6(9)	213,270	2	232,876	2
Investment property, net	6(10)	399,307	3	399,307	4
Intangible assets	6(11)	14,040	-	14,046	-
Deferred tax assets	6(29)	46,348	-	48,487	-
Other non-current assets	7	104,776	1	34,929	-
<b>Total non-current assets</b>		<b>5,184,563</b>	<b>43</b>	<b>4,435,843</b>	<b>42</b>
<b>Total assets</b>		<b>\$ 12,184,674</b>	<b>100</b>	<b>\$ 10,480,768</b>	<b>100</b>

(Continued)

**OPTO TECH CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
Short-term loans	6(12)	\$ 245,367	2	\$ 139,923	1
Financial liabilities at fair value through profit or loss - current	6(2)	-	-	799	-
Accounts payable		741,958	6	627,516	6
Accounts payable - related parties	7	61,224	-	56,030	1
Other payables	6(13) and 7	749,651	6	597,572	6
Current income tax liabilities		182,792	2	25,969	-
Provisions for liabilities - current	6(17)	6,831	-	4,033	-
Current lease liabilities	7	19,103	-	19,560	-
Long-term liabilities, current portion	6(14)	-	-	62,960	1
Other current liabilities	6(22) and 7	82,758	1	42,194	-
<b>Current Liabilities</b>		<u>2,089,684</u>	<u>17</u>	<u>1,576,556</u>	<u>15</u>
<b>Non-current liabilities</b>					
Long-term loans	6(14)	-	-	748,555	7
Provisions for liabilities - non - current	6(17)	19,068	-	18,808	-
Deferred tax liabilities	6(29)	33,178	-	42,962	1
Non-current lease liabilities	7	199,148	2	216,706	2
Other non-current liabilities	6(15)	149,712	1	187,492	2
<b>Total non-current liabilities</b>		<u>401,106</u>	<u>3</u>	<u>1,214,523</u>	<u>12</u>
<b>Total Liabilities</b>		<u>2,490,790</u>	<u>20</u>	<u>2,791,079</u>	<u>27</u>
<b>Equity</b>					
Capital	6(18)				
Common stock		4,386,228	36	3,786,228	36
Capital reserve	6(19)				
Capital surplus		1,489,822	12	703,108	7
Retained earnings	6(20)				
Legal reserve		786,944	6	729,360	7
Special reserve		2,423	-	3,743	-
Unappropriated earnings		2,645,077	22	2,361,920	22
Other equity adjustments	6(21)				
Other equity interest		438,344	4	187,351	2
Treasury stocks	6(18)				
Treasury stocks		( 54,954 )	-	( 82,021 )	( 1 )
<b>Total equity</b>		<u>9,693,884</u>	<u>80</u>	<u>7,689,689</u>	<u>73</u>
Significant contingent liabilities and unrecognized contract commitments	9				
Significant events after the balance sheet date	11				
<b>Total liabilities and equity</b>		<u>\$ 12,184,674</u>	<u>100</u>	<u>\$ 10,480,768</u>	<u>100</u>

**OPTO TECH CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(22) and 7	\$ 5,847,971	100	\$ 5,337,870	100
Operating costs	6(6)(16)(27)(28) and 7	( 3,954,955)	( 68)	( 3,765,252)	( 70)
Gross profit, net		1,893,016	32	1,572,618	30
Unrealized profit from sales		( 441)	-	( 97)	-
Realized profit from sales		98	-	108	-
Net operating margin		1,892,673	32	1,572,629	30
Operating expenses	6(27)(28)				
Selling expenses		( 106,456)	( 2)	( 112,675)	( 2)
General and administrative expenses		( 667,120)	( 11)	( 441,594)	( 9)
Research and development expenses		( 124,393)	( 2)	( 326,037)	( 6)
Expected credit loss on financial assets		( 2,198)	-	( 2,408)	-
Total operating expenses		( 900,167)	( 15)	( 882,714)	( 17)
Operating income		992,506	17	689,915	13
Non-operating income and expenses					
Interest income	6(23)	8,083	-	10,754	-
Other income	6(24)	46,973	1	38,699	1
Other gains and losses	6(25)	( 70,323)	( 1)	( 96,230)	( 2)
Finance costs	6(26)	( 12,675)	-	( 22,699)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	6(7)	43,525	-	( 6,035)	-
Total non-operating revenue and expenses		15,583	-	( 75,511)	( 1)
<b>Profit before losses tax</b>		1,008,089	17	614,404	12
Income tax expense	6(29)	( 178,718)	( 3)	( 39,271)	( 1)
<b>Net income</b>		<u>\$ 829,371</u>	<u>14</u>	<u>\$ 575,133</u>	<u>11</u>
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gains (losses) on remeasurements of defined benefit plans	6(15)	31,220	1	656	-
Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive (loss) income	6(4)(21)	238,220	4	( 137,595)	( 3)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	1,779	-	40,217	1
Total other comprehensive (loss) income that will not be reclassified to profit or loss, net of tax		271,219	5	( 96,722)	( 2)
<b>Items that will be reclassified to profit or loss</b>					
Currency translation differences of foreign operations	6(21)	4,756	-	5,091	-
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		( 340)	-	218	-
Total other comprehensive (loss) income that will be reclassified to profit or loss, net of tax		4,416	-	5,309	-
<b>Total other comprehensive (loss) income that will be reclassified to profit or loss, net of tax</b>		<u>\$ 275,635</u>	<u>5</u>	<u>(\$ 91,413)</u>	<u>( 2)</u>
<b>Total comprehensive income for the year</b>		<u>\$ 1,105,006</u>	<u>19</u>	<u>\$ 483,720</u>	<u>9</u>
Earnings per share					
Profit for the year	6(30)	\$ 2.11		\$ 1.52	
Diluted earnings per share					
Profit for the year	6(30)	\$ 2.09		\$ 1.49	

**OPTO TECH CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings					Other equity interest		Treasury stocks	Total
		Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealised gain or loss on financial assets at fair value through other comprehensive income		
<u>2020</u>										
Balance at January 1, 2020		\$3,786,228	\$ 702,965	\$ 669,312	\$ 8,392	\$1,841,481	( \$ 9,372 )	\$ 288,841	( \$ 23,172 )	\$7,264,675
Net income for the year		-	-	-	-	575,133	-	-	-	575,133
Other comprehensive income (loss) for the year	6(4)(15)(21)	-	-	-	-	525	5,309	( 97,247 )	-	( 91,413 )
Total comprehensive income		-	-	-	-	575,658	5,309	( 97,247 )	-	483,720
Distribution of 2019 earnings:	6(20)									
Legal reverse		-	-	60,048	-	( 60,048 )	-	-	-	-
Special reverse		-	-	-	( 4,649 )	4,649	-	-	-	-
Liquidation of the subsidiary	6(7)(19)	-	143	-	-	-	-	-	-	143
Disposal of financial assets at fair value through other comprehensive income	6(4)	-	-	-	-	180	-	( 180 )	-	-
Stock repurchased	6(18)	-	-	-	-	-	-	-	( 58,849 )	( 58,849 )
Balance at December 31, 2020		<u>\$3,786,228</u>	<u>\$ 703,108</u>	<u>\$ 729,360</u>	<u>\$ 3,743</u>	<u>\$2,361,920</u>	<u>( \$ 4,063 )</u>	<u>\$ 191,414</u>	<u>( \$ 82,021 )</u>	<u>\$7,689,689</u>
<u>2021</u>										
Balance at January 1, 2021		\$3,786,228	\$ 703,108	\$ 729,360	\$ 3,743	\$2,361,920	( \$ 4,063 )	\$ 191,414	( \$ 82,021 )	\$7,689,689
Net income for the year		-	-	-	-	829,371	-	-	-	829,371
Other comprehensive income for the year	6(4)(15)(21)	-	-	-	-	24,977	4,416	246,242	-	275,635
Total comprehensive income		-	-	-	-	854,348	4,416	246,242	-	1,105,006
Distribution of 2020 earnings:	6(20)									
Legal reverse		-	-	57,584	-	( 57,584 )	-	-	-	-
Special reverse		-	-	-	( 1,320 )	1,320	-	-	-	-
Cash dividends		-	-	-	-	( 514,927 )	-	-	-	( 514,927 )
Proceeds from issuance of shares	6(18)	600,000	775,800	-	-	-	-	-	-	1,375,800
Stock repurchased	6(18)	-	-	-	-	-	-	-	( 162,408 )	( 162,408 )
Treasury shares transferred to employees	6(18)(19)	-	13,968	-	-	-	-	-	189,475	203,443
Proceeds from disposal of investment accounted for using equity method of the subsidiary	6(21)	-	-	-	-	-	335	-	-	335
Other changes in capital surplus:	6(19)									
Changes in long-term investment		-	( 4,105 )	-	-	-	-	-	-	( 4,105 )
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries		-	1,051	-	-	-	-	-	-	1,051
Balance at December 31, 2021		<u>\$4,386,228</u>	<u>\$1,489,822</u>	<u>\$ 786,944</u>	<u>\$ 2,423</u>	<u>\$2,645,077</u>	<u>\$ 688</u>	<u>\$ 437,656</u>	<u>( \$ 54,954 )</u>	<u>\$9,693,884</u>

**OPTO TECH CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31	
	Notes	2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,008,089	\$ 614,404
Adjustments			
Adjustments to reconcile profit (loss)			
Realised sales profit		( 98 )	( 108 )
Unrealised sales profit		441	97
Depreciation	6(8)(9)(27)	436,030	439,082
Amortization	6(11)(27)	17,850	14,547
Expected credit losses on financial assets	12(2)	2,198	2,408
Net profit on financial assets and liabilities at fair value through profit or loss	6(2)(25)	( 7,307 )	( 473 )
Interest income	6(23)	( 8,083 )	( 10,754 )
Dividend income	6(24)	( 13,643 )	( 14,454 )
Loss on disposal of investments	6(25)	-	5,443
Interest expense	6(26)	11,429	21,649
Share of (profit) loss of subsidiary, associates accounted for using equity method	6(7)	( 43,525 )	6,035
Loss on disposal of property, plant and equipment	6(8)(25)	164	30,826
Impairment loss on non-financial assets	6(25)	77,577	35,585
Share-based payments	6(16)	105,473	-
Changes in operating assets and liabilities			
Changes in operating assets			
Acquisition of financial assets at fair value through profit or loss		( 250,000 )	( 150,000 )
Notes receivable - net		3,990	4,178
Accounts receivable - net		364,101	( 221,732 )
Accounts receivable - related parties - net		1,947	13,634
Other receivables		3,316	( 1,599 )
Inventories - net		( 88,195 )	85,807
Prepayments		( 34,109 )	( 21,273 )
Other current assets		( 611 )	2,419
Other non-current assets		3,370	7,247
Changes in operating liabilities			
Accounts payable		114,442	9,760
Accounts payable - related parties		5,194	( 24,012 )
Other payables		153,451	67,774
Provisions for liabilities		3,058	( 639 )
Other current liabilities		40,564	9,046
Net defined benefit liability		( 8,757 )	( 12,475 )
Cash inflow generated from operations		1,898,356	912,422
Interest received		8,717	11,375
Dividends received		13,643	26,781
Interest paid		( 12,801 )	( 23,016 )
Income tax paid		( 27,761 )	( 78,176 )
Net cash flows from operating activities		1,880,154	849,386

(Continued)

**OPTO TECH CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31	
	Notes	2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of current financial assets at amortised cost		( \$ 797,975 )	\$ -
Acquisition of financial assets at fair value through other comprehensive income		( 15,000 )	-
Acquisition of property, plant and equipment	6(8)(31)	( 529,492 )	( 296,520 )
Proceeds from disposal of property, plant and equipment		82	-
(Increase)decrease in deposits-out		( 5,010 )	4,507
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(4)	-	3,780
Acquisition of investments accounted for using equity method	6(7)	( 428,232 )	( 29,800 )
Acquisition of investment property	6(10)	-	( 399,307 )
Acquisition of intangible assets	6(11)	( 17,844 )	( 14,635 )
Subsidiary reduced capital and returned share monies	6(7)	-	24,868
Net cash flows used in investing activities		( 1,793,471 )	( 707,107 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans	6(32)	953,356	669,167
Decrease in short-term loans	6(32)	( 847,912 )	( 685,411 )
Decrease in long-terms loans	6(32)	( 811,515 )	( 2,989 )
Decrease in lease principal	6(32)	( 19,732 )	( 19,761 )
Increase (decrease) in guarantee deposits	6(32)	2,197	( 675 )
Payment of cash dividends	6(20)	( 514,927 )	-
Proceeds from issuance of shares	6(18)	1,375,800	-
Stock repurchased	6(18)	( 162,408 )	( 58,849 )
Treasury shares transferred to employees	6(16)	97,970	-
Net cash flows from (used in) financing activities		72,829	( 98,518 )
Net increase in cash and cash equivalents		159,512	43,761
Cash and cash equivalents at beginning of year		2,857,629	2,813,868
Cash and cash equivalents at end of year		<u>\$ 3,017,141</u>	<u>\$ 2,857,629</u>

**Taiwan-Asia Semiconductor Corporation**  
**( OPTO TECH CORPORATION )**

**Earnings Distribution Statement of 2021**

	Unit: NTD
Item	Amount
Last undistributed earnings	1,790,730,371
Plus: Current net profit after tax	829,371,471
Current actuarial gains and losses	24,975,720
Sub-total	854,347,191
Less: 10 % of Legal reserve appropriated	(85,434,719)
Plus: Reversal for special reserve	2,421,914
Current distributable earnings	2,562,064,757
Distributions:	
Shareholder dividends – stock	0
Shareholder dividends – cash	(1,008,832,546)
Undistributed earnings - ending	1,553,232,211



**Taiwan-Asia Semiconductor Corporation**  
**Company's Articles of Incorporation**  
**(Before and Revision Chart)**

	Amended article	Current article
Article1	The Company is established in accordance with the provisions of the Company Act, and is named <u>台亞半導體股份有限公司</u> in Chinese and <u>Taiwan-Asia Semiconductor Corporation</u> in English.	The Company is established in accordance with the provisions of the Company Act, and is named <u>台亞半導體股份有限公司</u> in Chinese and <u>OPTO TECH CORPORATION</u> in English.
Article 14-1	<u>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.</u>	(NEW)
Article 18	<p>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.</p> <p><u>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.</u></p>	<p>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.</p> <p><u>The Company may have one (1) vice chairman and three (3) managing directors. The managing directors shall be selected on by one by the attendance of two-thirds or more of the directors with the consent of more than half of the directors in attendance, the executive directors shall be selected one by one; and the Chairman and the vice chairmen shall be selected by and from among the managing directors.</u></p> <p><u>The Chairman shall be the chair of the shareholder meeting, the Board of Directors and the Board of Managing Directors internally, and shall represent the Company externally.</u></p> <p><u>Among the quota for the managing directors in Paragraph 2 hereof, the number of independent directors shall not be less than one (1) person, and shall not be less than one-fifth of the number of seats for managing directors.</u></p>
Article 33	<p>These Articles of Incorporation were formulated on November 19, 1983.</p> <p>1st revision made on January 21, 1984.</p> <p>.....(Omitted)</p> <p>34rd revision made on July 1, 2021.</p> <p>35rd revision made on October 21, 2021.</p> <p>36rd revision made on June 23, 2022.</p>	<p>These Articles of Incorporation were formulated on November 19, 1983.</p> <p>1st revision made on January 21, 1984.</p> <p>.....(Omitted)</p> <p>34rd revision made on July 1, 2021.</p> <p>35rd revision made on October 21, 2021.</p>

**Taiwan-Asia Semiconductor Corporation**  
**Regulations Governing the Acquisition and Disposal of Assets**  
**(Before and Revision Chart)**

	Amended article	Current article
Article 5	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:  1.-3. (Omitted)  When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-regulatory rules of the industry associations to which they belong and with the following provisions</u>:</p> <ol style="list-style-type: none"> <li>(Omitted)</li> <li>When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</li> <li>They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</li> <li>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and reasonable, and that they have complied with applicable laws and regulations.</li> </ol>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:  1.-3. (Omitted)  When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> <li>(Omitted)</li> <li>When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</li> <li>They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</li> <li>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</li> </ol>
Article 9	<p>Regulations Governing the acquisition or disposal of real property, equipment, or right-of-use assets</p> <ol style="list-style-type: none"> <li>(Omitted)</li> <li>The evaluation procedures of the Company's asset acquisition or disposal are as follows:  In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:  1. ~2.(Omitted)  3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</li> </ol> <p>1).-2).(Omitted)  4. (Omitted)</p>	<p>Regulations Governing the acquisition or disposal of real property, equipment, or right-of-use assets</p> <ol style="list-style-type: none"> <li>(Omitted)</li> <li>The evaluation procedures of the Company's asset acquisition or disposal are as follows:  In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:  1. ~2.(Omitted)  3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</li> </ol> <p>1).-2).(Omitted)  4. (Omitted)</p>

	Amended article	Current article
Article 10	<p>Acquisition or Disposal of Securities Handling Procedures</p> <p>1.(Omitted)</p> <p>2. Expert opinion</p> <p>A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>(Omitted)</p>	<p>Acquisition or Disposal of Securities Handling Procedures</p> <p>1.(Omitted)</p> <p>2. Expert opinion</p> <p>A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>(Omitted)</p>
Article 11	<p>Regulations Governing the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1.(Omitted)</p> <p>2. Expert opinion</p> <p>Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Regulations Governing the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1.(Omitted)</p> <p>2. Expert opinion</p> <p>Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>
Article 15	<p>When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>1.-7.(Omitted)</p>	<p>When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>1.-7.(Omitted)</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p>

	Amended article	Current article
Article 15	<p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>1.-2.(Omitted)</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p>	<p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>1.-2.(Omitted)</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>
Article 31	<p>Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1. -5.(Omitted)</p> <p>6. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p>	<p>Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1. -5.(Omitted)</p> <p>6. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p>

	Amended article	Current article
Article 31	<p>A. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription <u>of foreign government bonds, or</u> of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. (Omitted) (Omitted)</p>	<p>A. Trading of domestic government bonds.</p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. (Omitted) (Omitted)</p>
Article 36	<p>Adopted on May 23, 2003. 1<sup>st</sup> amendment made, June 13, 2007. 2<sup>nd</sup> amendment made, June 22, 2012. 3<sup>rd</sup> amendment made, June 19, 2013. 4<sup>th</sup> amendment made, June 17, 2014. 5<sup>th</sup> amendment made, June 21, 2017. 6<sup>th</sup> amendment made, June 13, 2019. 7<sup>th</sup> amendment made, July 01, 2021. <u>8th amendment made, June 23, 2022.</u></p>	<p>Adopted on May 23, 2003. 1<sup>st</sup> amendment made, June 13, 2007. 2<sup>nd</sup> amendment made, June 22, 2012. 3<sup>rd</sup> amendment made, June 19, 2013. 4<sup>th</sup> amendment made, June 17, 2014. 5<sup>th</sup> amendment made, June 21, 2017. 6<sup>th</sup> amendment made, June 13, 2019. 7<sup>th</sup> amendment made, July 01, 2021.</p>

**Taiwan-Asia Semiconductor Corporation**  
**Rules of Procedure for Shareholders Meetings**  
**(Before and Revision Chart)**

	Amended article	Current article
Article 3	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p>Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p>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. <u>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.</u></p> <p>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.</p> <p><u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <ol style="list-style-type: none"> <li><u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u></li> <li><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></li> <li><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></li> </ol> <p>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.</p>	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p>Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p>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.</p> <p>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 <u>as well as being distributed on-site at the meeting place.</u></p> <p>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.</p>

	Amended article	Current article
	<p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act 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.</p> <p>(Omitted)</p>	<p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act 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; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.</u></p> <p>(Omitted)</p>
Article 4	<p>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.</p> <p>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.</p> <p>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.</p> <p><u>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.</u></p>	<p>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.</p> <p>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.</p> <p>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.</p>
Article 5	<p>(Principles determining the time and place of a shareholders meeting)</p> <p>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.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>	<p>(Principles determining the time and place of a shareholders meeting)</p> <p>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.</p>

	Amended article	Current article
Article 6	<p>(Preparation of documents such as the attendance book)</p> <p>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies</u> (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts.</u> Shareholders completing registration will be deemed as attend the shareholders meeting in person.</p> <p>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.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>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.</p> <p>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.</p> <p><u>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.</u></p> <p><u>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.</u></p>	<p>(Preparation of documents such as the attendance book)</p> <p>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</p> <p>Shareholders, <u>solicitors and proxies</u> (collectively "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>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.</p> <p>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.</p>



	Amended article	Current article
Article 6-1	<p>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> <li>1. <u>How shareholders attend the virtual meeting and exercise their rights.</u></li> <li>2. <u>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:</u> <ol style="list-style-type: none"> <li>A). <u>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.</u></li> <li>B). <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></li> <li>C). <u>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.</u></li> <li>D). <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></li> </ol> </li> <li>3. <u>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.</u></li> </ol>	(NEW)
Article 8	<p>(Documentation of a shareholders meeting by audio or video)</p> <p>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.</p> <p>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.</p>	<p>(Documentation of a shareholders meeting by audio or video)</p> <p>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.</p> <p>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.</p>

	Amended article	Current article
Article 8	<p><u>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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p>	
Article 9	<p>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, <u>and the shares checked in on the virtual meeting platform,</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time <u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u></p> <p>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. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>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. <u>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.</u></p> <p>(Omitted)</p>	<p>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 plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time.</p> <p>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.</p> <p>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.</p> <p>(Omitted)</p>

	Amended article	Current article
Article 10	<p>(Discussion of proposals)</p> <p>If a shareholder 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 shareholder meeting.</p> <p>(Omitted)</p>	<p>(Discussion of proposals)</p> <p>If a shareholder meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. <u>Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda).</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholder meeting.</p> <p>(Omitted)</p>
Article 11	<p>(Shareholder speech)</p> <p>Before speaking, ....</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. ....</p> <p>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. ....</p> <p>When an attending shareholder is speaking, ....</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholder meeting, ....</p> <p>After an attending shareholder has spoken, ....</p> <p><u>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.</u></p> <p><u>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.</u></p>	<p>(Shareholder speech)</p> <p>Before speaking, ....</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. ....</p> <p>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. ....</p> <p>When an attending shareholder is speaking, ....</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholder meeting, ....</p> <p>After an attending shareholder has spoken, ....</p>
Article 13	<p>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 in accordance with Paragraph 2, Article 179 of the Company Act.</p> <p>When the Company holds a shareholder meeting, ....</p> <p>A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, .....</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under .....</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholder meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholder meeting.</p>	<p>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 in accordance with Paragraph 2, Article 179 of the Company Act.</p> <p>When the Company holds a shareholder meeting, ....</p> <p>A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, .....</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under .....</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholder meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholder meeting.</p>

	Amended article	Current article
Article 13	<p>If the notice of retraction is submitted after that time, .....</p> <p>Except as otherwise provided for in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of more than half of the voting rights represented by the attending shareholders. At the time of a vote, 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, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.</p> <p>When there is an amendment or ....</p> <p>Vote monitoring and counting personnel for ....</p> <p>Vote counting for shareholder meeting proposals or ....</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>If the notice of retraction is submitted after that time, .....</p> <p>Except as otherwise provided for in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of more than half of the voting rights represented by the attending shareholders. At the time of a vote, <u>for each proposal</u>, 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, <u>the results for each proposal</u>, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.</p> <p>When there is an amendment or ....</p> <p>Vote monitoring and counting personnel for ....</p> <p>Vote counting for shareholder meeting proposals or ....</p>
Article 15	<p>Matters relating ....</p> <p>This Company may distribute ....</p> <p>The meeting minutes shall accurately ....</p> <p><u>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.</u></p> <p><u>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</u></p>	<p>Matters relating ....</p> <p>This Company may distribute ....</p> <p>The meeting minutes shall accurately ....</p>

	Amended article	Current article
Article 16	<p>(Public disclosure)</p> <p>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 <u>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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p>(Omitted)</p>	<p>(Public announcement)</p> <p>On the day of a shareholder meeting, <u>the Company shall prepare</u> in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation <u>and</u> the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholder meeting.</p> <p>(Omitted)</p>
Article 19	<p>(Disclosure of information at virtual meetings)</p> <p><u>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.</u></p>	<p><i>(This article is updated, and the original Article 19 is adjusted to Article 23)</i></p>
Article 20	<p>(Location of the chair and secretary of virtual-only shareholders meeting)</p> <p><u>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.</u></p>	<p>(This article is updated, and the original Article 20 is adjusted to Article 24)</p>
Article 21	<p>(Handling of disconnection)</p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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</u></p>	<p>(NEW)</p>

	Amended article	Current article
Article 21	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
Article 22	<p><u>(Handling of digital divide)</u></p> <p>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.</p>	(NEW)
Article 23		<p><i>(Original Article 19:)</i></p> <p>These Rules shall take effect after having been submitted to and approved by a shareholder meeting. Subsequent amendments thereto shall be effected in the same manner.</p>
Article 24	<p>These Rules were formulated on May 26, 1990.</p> <p>1st revision made on April 24, 1998.</p> <p>2nd revision made on May 29, 2002.</p> <p>3rd revision made on June 17, 2004.</p> <p>4th revision made on June 24, 2006.</p> <p>5th revision made on June 16, 2020.</p> <p>6th revision made on June 23, 2022.</p>	<p><i>(Original Article 20:)</i></p> <p>These Rules were formulated on May 26, 1990.</p> <p>1st revision made on April 24, 1998.</p> <p>2nd revision made on May 29, 2002.</p> <p>3rd revision made on June 17, 2004.</p> <p>4th revision made on June 24, 2006.</p> <p>5th revision made on June 16, 2020.</p>

# **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 OPTO TECH 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. I501010 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 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 Company may have one (1) vice chairman and three (3) managing directors. The managing directors shall be selected one by one by the attendance of two-thirds or more of the directors with the consent of more than half of the directors in attendance, the executive directors shall be selected one by one; and the Chairman and the vice chairmen shall be selected by and from among the managing directors.

The Chairman shall be the chair of the shareholder meeting, the Board of Directors and the Board of Managing Directors internally, and shall represent the Company externally.

Among the quota for the managing directors in Paragraph 2 hereof, the number of independent directors shall not be less than one (1) person, and shall not be less than one-fifth of the number of seats for managing directors.

### **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. 34th revision made on July 1, 2021. 35th revision made on October 21, 2021.

# **Taiwan-Asia Semiconductor Corporation**

## **Procedure Rules for Shareholder Meetings**

### **Article 1**

In order to establish a good governance system for the Company's shareholder meetings, to improve supervision functions, and to strengthen management mechanism, these Rules are hereby formulated in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies to facilitate compliance.

### **Article 2**

The procedure rules for the Company's shareholder meetings shall be subject to the provisions of these Rules, unless otherwise provided for in laws and regulations or the Articles of Incorporation.

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

Unless otherwise provided for in laws and regulations, the Company's shareholder meetings shall be convened by the Board of Directors.

The Company shall provide the reasons for various proposed discussions, descriptions, and other materials such as the shareholder meeting notice; proxy form; and relevant proposals for recognition, discussion, appointment, or dismissal of directors 30 days prior to a general shareholder meeting and 15 days prior to an extraordinary shareholder meeting, and shall prepare the electronic file(s) of such to be transmitted to the Market Observation Post System. In addition, the Company shall prepare the electronic file of the Shareholder Meeting Handbook and supplementary materials of the meeting to be transmitted to the Market Observation Post System 21 days prior to a general shareholder meeting and 15 days prior to an extraordinary shareholder meeting. The Shareholder Meeting Handbook and supplementary materials for the meeting concerned shall be properly prepared and made available for shareholders' request for the copy at any time, displayed in the Company and the professional stock affairs agency appointed by the Company, as well as distributed on-site at the venue of the shareholder meeting 15 days prior to the convening of the shareholder meeting.

The notice and announcement thereof shall specify the reason for the convening; if approved by the counterparty, the notice thereof may be given electronically.

Appointment or dismissal of directors, change of Articles of Incorporation, capital reduction, application for suspension of public offerings, release from directors' non-competition obligation, capital increase from surplus, capital increase from public reserves, dissolution, merger, division of company, or the matters prescribed in Paragraph 1 of Article 185 shall be set out together with the main content thereof to be explained in the cause for the convening, which shall not be proposed in an extraordinary motion; the main content thereof may be placed on the website designated by the competent securities authority or the Company, and its website address shall be included in the notice.

Where the full re-election of directors and the date of taking office have been stated in the causes for the convening of the shareholder meeting, after completion of the re-election at the shareholder meeting concerned, the date of taking office may not be changed at the same meeting further with the extraordinary motion or by other means.

Shareholders holding one (1) or more percent of the total number of issued shares may submit to the Company a proposal for discussion at the general shareholder meeting. The proposal shall be limited to one (1) item, and any proposal with more than one (1) item shall not be included in the meeting agenda. However, where the shareholders' proposal is to urge the Company to promote the public interest or the advice on the fulfillment of its social responsibilities, the Board of Directors may still include such in the meeting agenda. In addition, if the shareholder's proposal is in one of the various circumstances stipulated in Subparagraph 4,

Article 172-1 of the Company Act, the Board of Directors is allowed not to list such a proposal in the meeting agenda.

The Company shall announce its acceptance of shareholders' proposals, the acceptance methods in the written or electronic form, acceptance locations, and acceptance period prior to the date of suspension of stock transfer before the general shareholder meeting is held; the acceptance period shall not be less than ten (10) days.

A shareholder's proposal shall be limited to 300 characters. If it exceeds 300 characters, such a proposal shall not be included in the meeting agenda; the proposing shareholder shall attend in person or entrust others to attend the general shareholder meeting as well as participate in the discussion of such a proposal.

The Company shall notify the proposing shareholders of the results of its processing the proposal prior to the notice date of the shareholder meeting, and list the proposal that conforms to the provisions of this article in the meeting notice. For shareholder proposals that are not included in the meeting agenda, the Board of Directors shall explain the reasons for not including such at the shareholder meeting.

#### **Article 4**

At each shareholder meeting, shareholders may issue a proxy form published by the Company, specifying the scope of authorization, to appoint an agent to attend the shareholder meeting.

A shareholder is limited to issuing one proxy to entrust one person only, and the proxy shall be served to the Company five (5) days prior to the convening of the shareholder meeting. In the event of duplicate proxies, the one that first arrives shall prevail, except that the proxy that arrives later is to revoke the previous proxy.

After the proxy form is served to the Company, shareholders who intend to attend the shareholder meeting in person or exercise their voting rights in writing or electronically shall notify the Company in writing of revocation of the proxy two (2) days prior to the convening of the shareholder meeting; if the revocation is overdue, the voting rights of the entrusted agent who attends the meeting shall prevail.

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

The venue of the shareholder meeting shall be at the place of the Company or at a location convenient for shareholders' attendance and suitable for the convening of the shareholder meeting. The start time of the meeting shall not be earlier than 9 am or later than 3 pm. The opinions of independent directors on the venue and time of the meeting shall be fully considered.

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

The Company shall specify in the meeting notice the time and venue of accepting shareholders' check-in, as well as other matters that should be paid attention to.

The accepting of shareholders' check-in in the preceding paragraph shall commence at least 30 minutes prior to the start of the meeting; the place for the check-in reception shall be clearly marked and sufficient qualified personnel shall be assigned to handle such work.

The shareholder in person or the agent entrusted by the shareholder (hereinafter referred to as the Shareholder) shall present the attendance certificate, attendance signature card or other attendance certificate to attend the shareholder meeting. The Company shall not arbitrarily add other requests for providing additional supporting documents to the supporting documents required for the shareholders to attend; Solicitors who solicitate the proxy shall also bring their identity documents for verification.

Shareholders in attendance may hand in the attendance signature card to replace the signing for attendance.

The Company shall hand over the meeting handbook, annual report, attendance certificate, speaker slips, voting slips and other meeting materials to the shareholders attending the shareholder meeting; 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 shareholder meeting. When a juristic person is appointed to attend as proxy, it may designate only one (1) person to represent it at the meeting.

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

If a shareholder meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one director to act as his/her agent; where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as the chair.

If the shareholder meeting is convened by a person with the right to convene the meeting other than the Board of Directors members, such a person with the right to convene the meeting shall serve as the chair. If there are two (2) or more such persons with the right to convene the meeting, one from among such persons shall be elected to serve as the chair.

The Company may appoint retained lawyers, accountants, and related personnel to participate in the shareholder meeting.

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

The Company shall, beginning from the time it accepts shareholder attendance check-in, make an uninterrupted audio and video recording of the check-in process, the proceedings of the shareholder meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one (1) 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.

**Article 9**

Attendance at shareholder meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated in accordance with the shares indicated by the attendance cards handed in 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. However, when the attending shareholders do not represent more than half of the total number of issued shares, the chair may announce a postponement, provided that no more than two (2) such postponements, for a combined total of no more than one (1) 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 call off the meeting for lack of quorum.

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 Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholder meeting shall be convened within one (1) month.

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

**Article 10** (Discussion of proposals)

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

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a shareholder meeting convened by a party with the right to convene the meeting who is not the Board of Directors members.

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 shareholder meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors may continue the meeting by electing a new chair with the consent of more than



half of the votes represented by the attending shareholders.

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 shareholder meeting, only one (1) 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.

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

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

With respect to resolutions of shareholder 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 the Company, 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 (3) percent of the voting rights represented by the total number of issued shares. If such a 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 in accordance with Paragraph 2, Article 179 of the Company Act.

When the Company 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 shareholder 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 the Company 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 the Company before two days before the date of the shareholder 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 shareholder meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholder 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 shareholder meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided for in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of more than half 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 Market Observation Post System.

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 the Company.

Vote counting for shareholder meeting proposals or elections shall be conducted in public at the place of the shareholder 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.

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

The election of directors or supervisors at a shareholder meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, 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.

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 shareholder 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 Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System.

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 the Company.

**Article 16** (Public announcement)

On the day of a shareholder meeting, the Company shall prepare in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholder meeting.

If matters put to a resolution at a shareholder meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the Market Observation Post System. within the prescribed time period.

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

Staff handling administrative affairs of a shareholder 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 shareholder meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, 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 shareholder meeting may adopt a resolution to resume the meeting at another venue.

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

**Article 19**

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

**Article 20**

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.

## 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 2022 (April 25, 2022), 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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