

Stock Code: 3022



# Handbook for 2024 Annual Shareholders' Meeting

Date: June 18, 2024

Place : 6F, No. 29, Zhongxing Rd, Xizhi District, New Taipei City, Taiwan  
(Physical Meeting)

MOPS : <https://mops.twse.com.tw>

Company website : <https://www.ieiworld.com>

## **§ Table Of Contents §**

### **I. Meeting Content**

<b>【Meeting Agenda】</b> .....	<b>1</b>
<b>【Report Items】</b> .....	<b>2</b>
<b>【Acknowledgement Items】</b> .....	<b>3</b>
<b>【Questions and Motions】</b> .....	<b>4</b>
<b>【Adjournment】</b> .....	<b>4</b>

### **II. Attachment**

<b>1. Business Report.....</b>	<b>5</b>
<b>2. Audit Committee’s Review Report.....</b>	<b>7</b>
<b>3. Financial Statements of 2023.....</b>	<b>8</b>
<b>4. 2023 Profit Distribution Statement.....</b>	<b>25</b>

### **III. Appendix**

<b>1. Articles of Incorporation .....</b>	<b>26</b>
<b>2. Rules of Procedure for Shareholders’ Meetings.....</b>	<b>29</b>
<b>3. Shareholdings of Directors.....</b>	<b>36</b>

## **【Meeting Agenda】**

1. Time: 18 June, 2024 (Tuesday) 9:00 a.m.
2. Type of Meeting: Physical Meeting
3. Place: 6F, No. 29, Zhongxing Rd, Xizhi District, New Taipei City, Taiwan (IEI Education and Training Center)
4. Chairman's address
5. Report Items:
  - I. 2023 Business Report
  - II. Audit Committee's Review Report on the 2023 Financial Statements
  - III. 2023 Employees' and Directors' Remuneration Proposal
6. Acknowledgment Items:
  - I. Adoption of the 2023 Business Report and Financial Statements
  - II. Adoption of the Proposal for Distribution of 2023 profits
7. Questions and Motions
8. Adjournment

## **【Report Items】**

### **【Report No.1】**

#### **2023 Business Report**

Explanation : Please refer to Attachment 1 of this Handbook (page 5-6) for the 2023 Business report.

### **【Report No.2】**

#### **Audit Committee's Review Report on the 2023 Financial Statements**

Explanation :

1. The Company's 2023 Financial Statements have been reviewed and approved by Audit Committee.
2. Please refer to Attachment 2 of this Handbook (page 7) for the 2023 Audit Committee's Review Report.

### **【Report No.3】**

#### **2023 Employees' and Directors' Remuneration Proposal**

Explanation : As per Article 19 of the Company's Articles of Incorporation, total amount of NT\$86,381,140 for employee compensation and NT\$3,300,000 for director remuneration was proposed to be allocated from the profits of 2023. All such remuneration shall be issued in cash. The amount are consistent with the expenses recorded in 2023 financial statements.

## **【Acknowledgement Items】**

### **【Acknowledgement 1】**

(Proposed by Board of Directors)

Proposal : Adoption of 2023 Business Report and Financial Statements

Explanation :

1. The company's 2023 Business Report and Consolidated Financial Statements (including Parent-company-only Financial Statements) have been reviewed by the Audit Committee and approved by the Board of Directors.
2. The above-mentioned Consolidated Financial Statements (including Parent-company-only Financial Statements) were audited by independent auditors, Chung-Che Chen and Li-Chen Lai of KPMG.
3. Please refer to Attachment 1 (page 5-6) and Attachment 3 (page 8-24) of this handbook for 2023 Business Report and Consolidated Financial Statements (including Parent-company-only Financial Statements).

Resolution :

### **【Acknowledgement 2】**

(Proposed by Board of Directors)

Proposal : Adoption of the Proposal for Distribution of 2023 profits

Explanation :

1. Please refer to Attachment 4 of this handbook (Page 25) for 2023 profit distribution statement.
2. The net profit after tax for 2023 was NT\$1,382,155,584, plus the actuarial gains/losses adjusted into retained earnings of NT\$405,225 and actuarial gains/losses recognized from associates accounted for using equity method of NT\$7,298, less the legal reserve of NT\$138,256,811 and plus the reversal of special reserve of NT\$68,288,553. In addition, the beginning undistributed earnings were NT\$4,125,205,552. Therefore, the total distributable earnings for the year are NT\$5,437,805,401.
3. It is proposed to distribute cash dividends in the amount of NT\$618,092,265 to shareholders at NT\$3.5 per share. Rounded down to the nearest New Taiwan Dollar. The total amount of the odd-lot dividend will be recognized as other income of the Company.
4. After this proposal is approved by the Shareholders' Meeting, the Chairman is authorized to set the ex-dividend date, payment date, and handle matters related to the distribution of cash dividends. However, if there is any change in the payout ratio of shareholders because of any change in the Company's outstanding shares, the Chairman is proposed to be authorized by the shareholders' meeting to handle all the related matters to the changes.

Resolution :

## **【Questions and Motions】**

## **【Adjournment】**

## Business Report

With the collective efforts of all colleagues of IEI Integration Corp., the consolidated operating revenue for fiscal year 2023 reached NT\$7,577,793 thousand, representing a 5% decline compared with last year. The consolidated net profit after tax was NT\$1,382,156 thousand, and the earnings per share after tax were NT\$7.83. The following is the Company's 2023 business and financial status:

### 1. Results of business plan implementation :

#### Financial status and profitability analysis

Unit : NT\$1,000

Items		2022	2023	Increase (decrease)	Increase (decrease)%
Financial status	Consolidated operating revenue	7,942,415	7,577,793	(364,622)	(5)%
	Consolidated operating margin	2,878,511	2,804,406	(74,105)	(3)%
	Consolidated net profit after tax	1,491,332	1,382,156	(109,176)	(7)%
Profitability	Consolidated return on assets ratio	11.98%	10.06%	(1.92)%	(16)%
	Consolidated return on equity ratio	17.27%	14.30%	(2.97)%	(17)%
	Consolidated EBIT to paid-in capital ratio	107.73%	98.80%	(8.93)%	(8)%
	Consolidated net profit ratio	18.78%	18.24%	(0.54)%	(3)%
	EPS (NT\$)	8.45	7.83	(0.62)	(7)%

### 2. Research and development results:

Since the establishment, the company has been actively engaged in research and development. In fiscal year of 2023, the total research and development expenses of the Group amounted to NT\$548,010 thousand. We specialize in various system products, including industrial computers, factory automation, network communication equipment, network storage and monitoring, intelligent medical and image surveillance equipment, and intelligent transportation. In the future, the Company will continue to uphold the spirit of active research and development innovation and invest in the development of new products.

## Percentage of R&amp;D expenses in operating revenue in recent two years

Unit : NT\$1,000

Items \ Year	2022	2023
Research and Development expenses	554,961	548,010
Operating revenue	7,942,415	7,577,793
Percentage of R&D expenses in operating revenue	6.99%	7.23%

Facing various unknown and potentially unpredictable global situations, such as climate environment change, political instability, and economic turbulence, the Company expects to devote itself to the three main market areas of edge computing, networking communication, and healthcare, with more systematic and real-time strategy adjustments and response capabilities. While facing severe challenges, we aim to move steadily towards the dual goals of revenue and profit with a solid and steady pace.

Last but not least, we are grateful to every shareholder for the consistent support and guide. Thank you all!

Wish you all good health and all the best!

Chairman: Ming-Chih Chang

General Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei



## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Consolidated Financial Statements, Parent-company-only Financial Statements and Proposal of Earnings Distribution. The CPA of KPMG was retained to audit Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements and Proposal of Earnings Distribution have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

IEI Integration Corp.  
2024 Annual Shareholders' Meeting

Convener of Audit Committee: In-Chyuan Ho

March 8, 2024

## FINANCIAL STATEMENTS OF 2023

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of IEI Integration Corp.:

#### **Opinion**

We have audited the consolidated financial statements of IEI Integration Corp. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations developed by the International Financial Reporting Interpretations Committee as well as related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 1. Revenue Recognition

Please refer to note 4(16) for details of the accounting policies of the recognition of revenue and note 6(19) of the consolidated financial statement.

##### Description of key audit matter

The Group transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China. The Group recognizes revenue after the control of the goods transfer to the buyers. If the delivery conditions are different due to contractual agreements (meaning the control of that goods will be transferred at different points), it will have a risk where the revenue close to the ending period is unrecorded at the appropriate period. Therefore, the timing of revenue recognition for the sale of goods by the Group is one of the key judgmental areas for our audit.

##### Audit procedures performed in response:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation.
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue.
- Inspecting the related documents to ensure the adequacy and the reasonableness of revenue recognition.

#### 2. Inventory Valuation

Please refer to Notes 4(8), 5(1) and 6(5) of the consolidated financial statements for accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimates uncertainty, and explanation of inventory.

##### Description of key audit matter

Inventory is measured by lower of cost or net realizable value in the consolidated financial statements. Since there is a fast frequency in product updates and intense industry competition, there is a risk that the cost of inventory may exceed the net realizable value.

##### Audit procedures performed in response:

- Overlooking the stock aging list, analyzing the movement of stock aging by period.
- Obtaining the certificate documents to verify the correctness of stock's expiry date.
- Sampling the replacement cost and market price of the material, and recalculating the net realizable value by marketing expense ratio to ensure

the reasonableness of net realizable values adopted by the Group.

### **Other Matter**

IEI Integration Corp. has prepared its parent-company-only financial statements for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion.

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

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

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

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

### **Auditors' Responsibilities in Auditing 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 auditing standards generally accepted 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 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 auditing standards generally accepted 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Li-Chen Lai

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

***Notes to Readers***

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

**IEI Integration Corp. and Subsidiaries**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2023 and 2022**

In thousands of NT\$

Assets		Notes	Dec. 31, 2023		Dec. 31, 2022		Liabilities and Equity		Notes	Dec. 31, 2023		Dec. 31, 2022	
			Amount	%	Amount	%				Amount	%		
<b>Current assets:</b>													
1100	Cash and cash equivalents	6(1)(22)	\$ 4,757,865	33	4,137,537	31	2100	Current borrowings	6(11)	\$ 173,408	1	-	-
1110	Financial assets at fair value through profit and loss - current	6(2)(22)	722,917	5	381,000	3	2130	Current contract liabilities	6(19)&7	521,853	4	530,865	4
1170	Notes & accounts receivable, net	6(4)(19)(22)	962,531	7	972,262	7	2170	Accounts payable	6(22)	1,088,257	8	1,234,942	9
1180	Accounts receivable - related parties, net	6(22)&7	35,513	-	19,600	-	2180	Accounts payable - related parties	6(22)&7	98,047	1	148,467	1
1210	Other receivable - related parties	6(22)&7	184,645	1	171,114	1	2219	Other payables, others	6(22)	676,151	5	634,530	5
130X	Inventories	6(5)	1,305,085	9	1,798,197	14	2220	Other payables - related parties	6(22)&7	198,816	1	128,613	1
1476	Other financial assets, current	6(6)(22)&8	1,745,373	12	1,477,113	11	2230	Current tax liabilities		359,472	3	426,973	3
1479	Other current assets		312,755	2	222,013	2	2280	Current lease liabilities	6(12)(22)&7	11,419	-	11,070	-
			<u>10,026,684</u>	<u>69</u>	<u>9,178,836</u>	<u>69</u>	2399	Other current liabilities		<u>40,484</u>	<u>-</u>	<u>37,239</u>	<u>-</u>
										<u>3,167,907</u>	<u>23</u>	<u>3,152,699</u>	<u>23</u>
<b>Non-current assets:</b>													
1517	Financial assets at fair value through other comprehensive income, non-current	6(3)(12)	59,729	-	32,025	-	2570	Deferred tax liabilities		995,039	7	921,131	7
1550	Investments accounted for using equity method	6(7)	2,525,069	18	2,403,180	18	2580	Non-current lease liabilities	6(12)(22)&7	2,951	-	10,298	-
1600	Property, plant and equipment	6(8)	1,260,982	10	1,312,659	10	2670	Other non-current liabilities, others		<u>57,700</u>	<u>1</u>	<u>57,155</u>	<u>1</u>
1755	Right-of-use assets	6(9)	13,870	-	20,534	-				<u>1,055,690</u>	<u>8</u>	<u>988,584</u>	<u>8</u>
1760	Investment property, net	6(10)	271,537	2	277,453	2				<u>4,223,597</u>	<u>31</u>	<u>4,141,283</u>	<u>31</u>
1821	Other intangible assets, net		19,051	-	20,341	-	<b>Total liabilities</b>						
1840	Deferred tax assets		112,068	1	99,099	1	<b>Equity attributable to owners of parent</b>		6(16)				
1975	Net defined benefit assets, non-current		8,578	-	8,093	-	3100	Share Capital		1,765,978	12	1,765,978	13
1990	Other non-current assets, others		<u>24,743</u>	<u>-</u>	<u>21,361</u>	<u>-</u>	3200	Capital surplus		845,521	6	820,437	6
			4,295,627	31	4,194,745	31		Retained earnings:					
							3310	Legal reserve		1,902,369	13	1,753,262	13
							3320	Special reserve		453,579	3	687,892	5
							3350	Unappropriated retained earnings		<u>5,507,775</u>	<u>38</u>	<u>4,658,093</u>	<u>35</u>
										<u>7,863,723</u>	<u>54</u>	<u>7,099,247</u>	<u>53</u>
							3400	Other equity		<u>(385,290)</u>	<u>(3)</u>	<u>(453,579)</u>	<u>(3)</u>
								Total equity attributable to owners of parent		10,089,932	69	9,232,083	69
							36XX	Non-controlling interests		<u>8,782</u>	<u>-</u>	<u>215</u>	<u>-</u>
								<b>Total equity</b>		<u>10,098,714</u>	<u>69</u>	<u>9,232,298</u>	<u>69</u>
<b>Total Assets</b>			<u>\$ 14,322,311</u>	<u>100</u>	<u>13,373,581</u>	<u>100</u>		<b>Total Liabilities and Equity</b>		<u>\$ 14,322,311</u>	<u>100</u>	<u>13,373,581</u>	<u>100</u>

(See accompanying notes to consolidated financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**From January 1 to December 31, 2023 and 2022**

		In thousands of NT\$				
		2023		2022		
		Amount	%	Amount	%	
		Notes				
4110	<b>Sales revenue</b>		\$ 7,613,543	100	7,975,814	99
4170	Less: Sales returns and discounts		35,750	-	33,399	1
	<b>Net sales revenue</b>	6(19)&7	<u>7,577,793</u>	100	<u>7,942,415</u>	100
5110	<b>Cost of sales</b>	6(5)(14)&7&12	<u>4,772,467</u>	64	<u>5,062,708</u>	64
	<b>Gross profit</b>		2,805,326	36	2,879,707	36
5910	Unrealized profit (loss) from sales		(2,446)	-	(1,526)	-
5920	Realized profit (loss) from sales		1,526	-	330	-
	<b>Gross profit from operations</b>		<u>2,804,406</u>	36	<u>2,878,511</u>	36
	<b>Operating expenses</b>	6(4)(14)(20)&7&12				
6100	Selling expenses		543,309	7	527,140	7
6200	Administrative expenses		548,958	7	464,882	6
6300	Research and development expenses		548,010	7	554,961	7
6450	Expected credit impairment loss		8,300	-	13,829	-
	<b>Total operating expenses</b>		<u>1,648,577</u>	21	<u>1,560,812</u>	20
	<b>Net operating income</b>		<u>1,155,829</u>	15	<u>1,317,699</u>	16
	<b>Non-operating income and expenses</b>	6(21)&7				
7100	Interest income		209,278	3	76,942	1
7010	Other income		110,717	1	92,269	1
7020	Other gains and losses, net		(9,389)	-	296,319	4
7050	Financial costs		(14,438)	-	(5,293)	-
7060	Share of profit of associates and joint ventures accounted for using equity method, net		292,718	4	124,475	2
	<b>Total non-operating income and expenses</b>		<u>588,886</u>	8	<u>584,712</u>	8
	<b>Profit (loss) from continuing operations before tax</b>		1,744,715	23	1,902,411	24
7950	Less: Income tax expense	6(15)	362,559	5	411,079	4
	<b>Profit (loss)</b>		<u>1,382,156</u>	18	<u>1,491,332</u>	20
8300	<b>Other comprehensive income:</b>					
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Re-measurements from defined benefit plans		506	-	(1,394)	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income		16,204	-	(10,114)	-
8320	Share of other comprehensive gain (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		77,093	1	140,853	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(101)	-	279	-
	<b>Total components of other comprehensive income that will not be reclassified to profit or loss</b>		<u>93,702</u>	1	<u>129,624</u>	2
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements		(25,972)	-	80,917	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss.		971	-	22,657	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	-	-
	<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>		<u>(25,001)</u>	-	<u>103,574</u>	1
8300	<b>Other comprehensive income, net of income tax</b>		<u>68,701</u>	1	<u>233,198</u>	3
	<b>Total comprehensive income</b>		<u>\$ 1,450,857</u>	<u>19</u>	<u>\$ 1,724,530</u>	<u>23</u>
	<b>Profit (loss) attributable to:</b>					
8610	Owners of parent		1,382,156	18	1,492,189	20
8620	Non-controlling Interests		-	-	(857)	-
			<u>1,382,156</u>	<u>18</u>	<u>1,491,332</u>	<u>20</u>
	<b>Comprehensive income attributable to:</b>					
8710	Owners of parent		1,450,857	19	1,725,387	23
8720	Non-controlling Interests		-	-	(857)	-
			<u>\$ 1,450,857</u>	<u>19</u>	<u>\$ 1,724,530</u>	<u>23</u>
	<b>Earnings per share (NT\$)</b>					
	<b>Basic earnings per share (NT\$)</b>	6(18)	<u>\$ 7.83</u>		<u>8.45</u>	
	<b>Diluted earnings per share (NT\$)</b>	6(18)	<u>\$ 7.77</u>		<u>8.38</u>	

(See accompanying notes to consolidated financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei



**IEI Integration Corp. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**From January 1 to December 31, 2023 and 2022**

In thousands of NT\$

	Equity attributable to owners of parent						Total other equity interest					Total Equity
	Share Capital		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling Interests	
	Ordinary Shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings						
<b>A1 Balance at January 1, 2022</b>	<u>\$ 1,765,978</u>	<u>820,325</u>	<u>1,665,388</u>	<u>604,488</u>	<u>3,868,090</u>	<u>6,137,966</u>	<u>(513,750)</u>	<u>(174,142)</u>	<u>(687,892)</u>	<u>8,036,377</u>	<u>1,072</u>	<u>8,037,449</u>
D1 Profit (loss)	-	-	-	-	1,492,189	1,492,189	-	-	-	1,492,189	(857)	1,491,332
D3 Other comprehensive income (loss)	-	-	-	-	(1,115)	(1,115)	103,574	130,739	234,313	233,198	-	233,198
D5 Total comprehensive income (loss)	-	-	-	-	1,491,074	1,491,074	103,574	130,739	234,313	1,725,387	(857)	1,724,530
Appropriation and distribution of retained earnings:												
B1 Legal reserve	-	-	87,874	-	(87,874)	-	-	-	-	-	-	-
B3 Special reserve	-	-	-	83,404	(83,404)	-	-	-	-	-	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(529,793)	(529,793)	-	-	-	(529,793)	-	(529,793)
Others changes in capital surplus:												
C7 Changes in equity of associates accounted for using equity method	-	(134)	-	-	-	-	-	-	-	(134)	-	(134)
C17 Other changes in capital surplus	-	246	-	-	-	-	-	-	-	246	-	246
<b>Balance at December 31, 2022</b>	<u>1,765,978</u>	<u>820,437</u>	<u>1,753,262</u>	<u>687,892</u>	<u>4,658,093</u>	<u>7,099,247</u>	<u>(410,176)</u>	<u>(43,403)</u>	<u>(453,579)</u>	<u>9,232,083</u>	<u>215</u>	<u>9,232,298</u>
D1 Profit (loss)	-	-	-	-	1,382,156	1,382,156	-	-	-	1,382,156	-	1,382,156
D3 Other comprehensive income (loss)	-	-	-	-	412	412	(25,001)	93,290	68,289	68,701	-	68,701
D5 Total comprehensive income (loss)	-	-	-	-	1,382,568	1,382,568	(25,001)	93,290	68,289	1,450,857	-	1,450,857
Appropriation and distribution of retained earnings:												
B1 Legal reserve	-	-	149,107	-	(149,107)	-	-	-	-	-	-	-
B3 Special reserve	-	-	-	(234,313)	234,313	-	-	-	-	-	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(618,092)	(618,092)	-	-	-	(618,092)	-	(618,092)
Others changes in capital surplus:												
C7 Changes in equity of associates accounted for using equity method	-	24,764	-	-	-	-	-	-	-	24,764	-	24,764
C17 Other changes in capital surplus	-	320	-	-	-	-	-	-	-	320	-	320
M3 Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(215)	(215)
N1 Share-based payment	-	-	-	-	-	-	-	-	-	-	8,782	8,782
<b>Z1 Balance at December 31, 2023</b>	<u>\$ 1,765,978</u>	<u>845,521</u>	<u>1,902,369</u>	<u>453,579</u>	<u>5,507,775</u>	<u>7,863,723</u>	<u>(435,177)</u>	<u>49,887</u>	<u>(385,290)</u>	<u>10,089,932</u>	<u>8,782</u>	<u>10,098,714</u>

(See accompanying notes to consolidated financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**From January 1 to December 31, 2023 and 2022**

		In thousands of NT\$	
		2023	2022
AAAA	Cash flows from (used in) operating activities:		
A10000	Profit (loss) from continuing operations before tax	\$ 1,744,715	\$ 1,902,411
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	142,899	112,661
A20200	Amortization expense	23,017	22,613
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	8,300	13,829
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(8,603)	(2,587)
A20900	Interest expense	14,438	5,293
A21200	Interest income	(209,278)	(76,942)
A21300	Dividend income	(6,497)	(647)
A21900	Share-based payments	8,782	-
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(292,718)	(124,475)
A22500	Loss (gain) on disposal of property, plan and equipment	1,424	25,936
A23700	Impairment loss on non-financial assets	50,589	155,547
A24000	Unrealized profit (loss) from sales	919	1,196
A24100	Unrealized foreign exchange loss (gain)	70,722	(59,982)
A20010	Total adjustments to reconcile profit (loss)	<u>(196,006)</u>	<u>72,442</u>
A30000	Changes in operating assets and liabilities:		
A31115	Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	(333,625)	(378,413)
A31150	Decrease (increase) in accounts receivable	(22,429)	(22,579)
A31160	Decrease (increase) in accounts receivable due from related parties	(23,570)	63,222
A31190	Decrease (increase) in other receivable due from related parties	(89,093)	188,365
A31200	Decrease (increase) in inventories	436,062	(390,428)
A31240	Decrease (increase) in other current assets	(141,593)	(14,695)
A31990	Decrease (increase) in defined benefit assets	21	(676)
A32000	Changes in operating assets and liabilities:		
A32125	Increase (decrease) in contract liabilities	(9,012)	31,805
A32150	Increase (decrease) in accounts payable	(146,050)	227,589
A32160	Increase (decrease) in accounts payable to related parties	(43,561)	19,791
A32180	Increase (decrease) in other payable	54,799	121,828
A32190	Increase (decrease) in other payable to related parties	89,134	(146,553)
A32200	Increase (decrease) in provisions	91	4,155
A32230	Increase (decrease) in other current liabilities	8,711	293
A30000	Total changes in operating assets and liabilities	<u>(220,115)</u>	<u>(296,296)</u>
A20000	Total adjustments	<u>(416,121)</u>	<u>(223,854)</u>
A33000	Cash inflow (outflow) generated from operations	1,328,594	1,678,557
A33100	Interest received	279,502	40,358
A33200	Dividends received	280,155	69,779
A33300	Interest paid	(14,438)	(5,293)
A33500	Income taxes refund (paid)	(369,562)	(178,599)
AAAA	Net cash flows from (used in) operating activities	<u>1,504,251</u>	<u>1,604,802</u>
BBBB	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(15,000)	(6,000)
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,500	500
B02700	Acquisition of property, plant and equipment	(94,584)	(194,171)
B02800	Proceeds from disposal of property, plant and equipment	436	4,225
B04500	Acquisition of intangible assets	(21,119)	(25,523)
B06500	Increase in other financial assets	(277,264)	(232,291)
B06700	Increase in other non-current assets	(4,497)	8,845
BBBB	Net cash flows from (used in) investing activities	<u>(408,528)</u>	<u>(444,415)</u>
CCCC	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	176,959	-
C03000	Decrease in guarantee deposits received	-	(151)
C04020	Payments of lease liabilities	(11,191)	(11,413)
C04500	Cash dividends paid	(618,092)	(529,793)
C05800	Change in non-controlling interests	(215)	-
C09900	Other financing activities	320	32
CCCC	Net cash flows from (used in) financing activities	<u>(452,219)</u>	<u>(541,325)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	(23,176)	(20,991)
EEEE	Net increase (decrease) in cash and cash equivalents	620,328	598,071
E00100	Cash and cash equivalents at beginning of period	4,137,537	3,539,466
E00200	Cash and cash equivalents at end of period	<u>\$ 4,757,865</u>	<u>\$ 4,137,537</u>

See accompanying notes to consolidated financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of IEI Integration Corp.:

### **Opinion**

We have audited the parent-company-only financial statements of IEI Integration Corp., which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and 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 financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended December 31, 2023 and 2022, 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 Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 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, and we do not provide a separate opinion on these matters.

#### **1. Revenue Recognition**

Please refer to note 4(16) for details of the accounting policies of the recognition of revenue and note 6(17) of the parent-company-only financial statement.

#### **Description of key audit matter**

The Company transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China. The Company recognizes revenue after the control of the goods transfer to the buyers. If the delivery conditions are different due to contractual agreements

(meaning the control of that goods will be transferred at different points), it will have a risk where the revenue close to the ending period is unrecorded at the appropriate period. Therefore, the timing of revenue recognition for the sale of goods by the Company is one of the key judgmental areas for our audit.

Audit procedures performed in response:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation.
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue.
- Inspecting the related documents to ensure the adequacy and the reasonableness of revenue recognition.

2. Inventory Valuation

Please refer to Notes 4(7), 5(1) and 6(5) of the parent-company-only financial statements for accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimates uncertainty, and explanation of inventory.

Description of key audit matter

Inventory is measured by lower of cost or net realizable value in the consolidated financial statements. Since there is a fast frequency in product updates and intense industry competition, there is a risk that the cost of inventory may exceed the net realizable value.

Audit procedures performed in response:

- Overviewing the stock aging list, analyzing the movement of stock aging by period.
- Obtaining the certificate documents to verify the correctness of stock's expiry date.
- Sampling the replacement cost and market price of the material, and recalculating the net realizable value by marketing expenses ratio to ensure the reasonableness of net realizable values adopted by the Company.

**Responsibilities of Management and Those Charged with Governance for the parent-company-only Financial Statements**

Management is responsible for the preparation and fair representation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities in Auditing 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 auditing standards generally accepted 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 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 auditing standards generally accepted 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 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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.

5. 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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment accounted for using equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Li-Chen Lai

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

***Notes to Readers***

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

**IEI Integration Corp.**  
**BALANCE SHEETS**  
**December 31, 2023 and 2022**

In thousands of NT\$

Assets	Notes	Dec. 31, 2023		Dec. 31, 2022		Liabilities and Equity	Notes	Dec. 31, 2023		Dec. 31, 2022			
		Amount	%	Amount	%			Amount	%				
<b>Current assets:</b>						<b>Current liabilities:</b>							
1100	Cash and cash equivalents	6(1)(20)	\$ 1,047,602	8	1,255,603	11	2130	Current contract liabilities	17&7	\$ 148,509	1	184,035	2
1110	Financial assets at fair value through profit and loss - current	6(2)(20)	602,150	5	381,000	3	2170	Accounts payable	6(20)	462,385	4	435,215	4
1170	Notes & accounts receivable, net	6(4)(17)(20)	470,838	4	413,272	4	2180	Accounts payable - related parties	6(20)&7	258,062	2	382,180	3
1180	Accounts receivable - related parties, net	6(20)&7	266,409	2	257,607	2	2219	Other payables, others	6(20)	287,402	2	259,777	2
1210	Other receivable - related parties	6(20)&7	12,013	-	11,694	-	2220	Other payables - related parties	6(20)&7	23,218	-	16,476	-
130X	Inventories	6(5)	522,157	4	519,544	4	2230	Current tax liabilities		245,458	2	272,685	2
1476	Other financial assets, current	6(6)(20)&8	239,791	2	7,260	-	2280	Current lease liabilities	6(11)(20)&7	6,931	-	6,931	-
1479	Other current assets, others	7	47,035	-	75,906	1	2399	Other current liabilities		26,902	-	23,066	-
			<u>3,207,995</u>	<u>25</u>	<u>2,921,886</u>	<u>25</u>				<u>1,458,867</u>	<u>11</u>	<u>1,580,365</u>	<u>13</u>
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>							
1517	Financial assets at fair value through other comprehensive income, non-current	6(3)(20)	59,729	-	32,025	-	2570	Deferred tax liabilities	6(14)	995,039	8	921,131	8
1550	Investments accounted for using equity method	6(7)	8,410,491	67	7,900,757	67	2580	Non-current lease liabilities	6(11)(20)&7	2,951	-	10,298	-
1600	Property, plant and equipment	6(8)&7	506,780	5	532,060	5	2670	Other non-current liabilities, others		96,599	1	105,843	1
1755	Right-of-use assets	6(9)	9,732	-	16,526	-				<u>1,094,589</u>	<u>9</u>	<u>1,037,272</u>	<u>9</u>
1760	Investment property, net	6(10)	382,465	3	388,694	3				<u>2,553,456</u>	<u>20</u>	<u>2,617,637</u>	<u>22</u>
1821	Other intangible assets, net		13,948	-	15,123	-	<b>Total liabilities</b>						
1840	Deferred tax assets	6(14)	43,475	-	34,361	-	<b>Equity attributable to owners of parent</b>						
1975	Net defined benefit assets, non-current	6(13)	8,578	-	8,093	-	3100	Share Capital		1,765,978	14	1,765,978	15
1990	Other non-current assets, others		195	-	195	-	3200	Capital surplus		845,521	7	820,437	7
			<u>9,435,393</u>	<u>75</u>	<u>8,927,834</u>	<u>75</u>		Retained earnings:					
							3310	Legal reserve		1,902,369	15	1,753,262	15
							3320	Special reserve		453,579	4	687,892	6
							3350	Unappropriated retained earnings		5,507,775	44	4,658,093	39
										<u>7,863,723</u>	<u>63</u>	<u>7,099,247</u>	<u>60</u>
							3400	Other equity		(385,290)	(4)	(453,579)	(4)
										<u>10,089,932</u>	<u>80</u>	<u>9,232,083</u>	<u>78</u>
<b>Total Assets</b>			<u>\$ 12,643,388</u>	<u>100</u>	<u>11,849,720</u>	<u>100</u>	<b>Total Liabilities and Equity</b>						
										<u>\$ 12,643,388</u>	<u>100</u>	<u>11,849,720</u>	<u>100</u>

(See accompanying notes to parent-company-only financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**From January 1 to December 31, 2023 and 2022**

In thousands of NT\$

		2023		2022		
		Amount	%	Amount	%	
		Notes				
4110	<b>Sales revenue</b>		\$ 4,982,945	100	5,266,950	101
4170	Less: Sales returns and discounts		<u>16,425</u>	-	<u>28,144</u>	1
	<b>Net sales revenue</b>	6(17)&7	<u>4,966,520</u>	100	<u>5,238,806</u>	100
5110	<b>Cost of sales</b>	6(5)&7&12	<u>3,536,983</u>	71	<u>3,680,695</u>	70
	<b>Gross profit</b>		1,429,537	29	1,558,111	30
5910	Unrealized profit (loss) from sales		(40,922)	(1)	(49,791)	(1)
5920	Realized profit (loss) from sales		<u>49,791</u>	1	<u>12,913</u>	-
	<b>Gross profit from operations</b>		<u>1,438,406</u>	29	<u>1,521,233</u>	29
	<b>Operating expenses</b>	6(4)(18)&7&12				
6100	Selling expenses		308,091	6	298,911	6
6200	Administrative expenses		129,187	3	118,399	2
6300	Research and development expenses		335,829	7	300,659	6
6450	Expected credit impairment loss (gain)		<u>8,486</u>	-	<u>14,442</u>	-
	<b>Total operating expenses</b>		<u>781,593</u>	16	<u>732,411</u>	14
	<b>Net operating income</b>		<u>656,813</u>	13	<u>788,822</u>	15
	<b>Non-operating income and expenses</b>	6(7)(12)(19)&7				
7100	Interest income		50,040	1	11,027	-
7010	Other income		91,481	2	75,877	1
7020	Other gains and losses, net		13,005	-	68,741	1
7050	Financial costs		(259)	-	(218)	-
7060	Share of profit of associates and joint ventures accounted for using equity method, net		<u>826,862</u>	17	<u>800,204</u>	16
	<b>Total non-operating income and expenses</b>		<u>981,129</u>	20	<u>955,631</u>	18
	<b>Profit (loss) from continuing operations before tax</b>		1,637,942	33	1,744,453	33
7950	Less: Income tax expense	6(14)	<u>255,786</u>	5	<u>252,264</u>	4
	<b>Profit (loss)</b>		<u>1,382,156</u>	28	<u>1,492,189</u>	29
8300	<b>Other comprehensive income:</b>					
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	6(15)(20)				
8311	Re-measurements from defined benefit plans		506	-	(1,394)	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income		16,204	-	(10,114)	-
8330	Share of other comprehensive gain (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		77,093	2	140,853	3
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		<u>(101)</u>	-	<u>279</u>	-
			<u>93,702</u>	2	<u>129,624</u>	3
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	6(15)(20)				
8361	Exchange differences on translation of foreign financial statements		(25,972)	(1)	80,917	2
8380	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss.		971	-	22,657	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	-	-
	<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>		<u>(25,001)</u>	(1)	<u>103,574</u>	2
8300	<b>Other comprehensive income, net of income tax</b>		<u>68,701</u>	1	<u>233,198</u>	5
	<b>Total comprehensive income</b>		<u>\$ 1,450,857</u>	29	<u>1,725,387</u>	34
	<b>Earnings per share (NT\$)</b>					
	<b>Basic earnings per share (NT\$)</b>	6(16)	<u>\$ 7.83</u>		<u>8.45</u>	
	<b>Diluted earnings per share (NT\$)</b>	6(16)	<u>\$ 7.77</u>		<u>8.38</u>	

(See accompanying notes to parent-company-only financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei



**IEI Integration Corp.**  
**STATEMENT OF CHANGES IN EQUITY**  
**From January 1 to December 31, 2023 and 2022**

In thousands of NT\$

	Share Capital		Retained earnings				Total other equity interest			
	Ordinary Shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total retained earnings	Total equity
A1 <b>Balance at January 1, 2022</b>	\$ 1,765,978	820,325	1,665,388	604,488	3,868,090	6,137,966	(513,750)	(174,142)	(687,892)	8,036,377
D1 Profit (loss)	-	-	-	-	1,492,189	1,492,189	-	-	-	1,492,189
D3 Other comprehensive income, net of income tax	-	-	-	-	(1,115)	(1,115)	103,574	130,739	234,313	233,198
D5 Total comprehensive income	-	-	-	-	1,491,074	1,491,074	103,574	130,739	234,313	1,725,387
Appropriation and distribution of retained earnings:										
B1 Legal reserve	-	-	87,874	-	(87,874)	-	-	-	-	-
B3 Special reserve	-	-	-	83,404	(83,404)	-	-	-	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(529,793)	(529,793)	-	-	-	(529,793)
Others changes in capital surplus:										
C7 Changes in equity of associates accounted for using equity method	-	(134)	-	-	-	-	-	-	-	(134)
C17 Other changes in capital surplus	-	246	-	-	-	-	-	-	-	246
Balance at December 31, 2022	1,765,978	820,437	1,753,262	687,892	4,658,093	7,099,247	(410,176)	(43,403)	(453,579)	9,232,083
D1 Profit (loss)	-	-	-	-	1,382,156	1,382,156	-	-	-	1,382,156
D3 Other comprehensive income, net of income tax	-	-	-	-	412	412	(25,001)	93,290	68,289	68,701
D5 Total comprehensive income	-	-	-	-	1,382,568	1,382,568	(25,001)	93,290	68,289	1,450,857
Appropriation and distribution of retained earnings:										
B1 Legal reserve	-	-	149,107	-	(149,107)	-	-	-	-	-
B3 Special reserve	-	-	-	(234,313)	234,313	-	-	-	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(618,092)	(618,092)	-	-	-	(618,092)
Others changes in capital surplus:										
C7 Changes in equity of associates accounted for using equity method	-	24,764	-	-	-	-	-	-	-	24,764
C17 Other changes in capital surplus	-	320	-	-	-	-	-	-	-	320
Z1 <b>Balance at December 31, 2023</b>	\$ 1,765,978	845,521	1,902,369	453,579	5,507,775	7,863,723	(435,177)	49,887	(385,290)	10,089,932

(See accompanying notes to parent-company-only financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp.**  
**STATEMENT OF CASH FLOWS**  
**From January 1 to December 31, 2023 and 2022**

In thousands of NT\$

	2023	2022
AAAA Cash flows from (used in) operating activities:		
A10000 Profit (loss) from continuing operations before tax	\$ 1,637,942	\$ 1,744,453
A20000 Adjustments:		
A20010 Adjustments to reconcile profit (loss):		
A20100 Depreciation expense	52,311	51,989
A20200 Amortization expense	20,473	19,069
A20300 Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	8,486	14,442
A20400 Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(5,840)	(1,335)
A20900 Interest expense	259	218
A21200 Interest income	(50,040)	(11,027)
A21300 Dividend income	(6,497)	(647)
A22400 Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(826,862)	(800,204)
A22500 Loss (gain) on disposal of property, plan and equipment	(375)	(1,384)
A23700 Impairment loss on non-financial assets	24,789	11,864
A24000 Unrealized profit (loss) from sales	(8,869)	36,878
A24100 Unrealized foreign exchange loss (gain)	2,549	(1,239)
A20010 Adjustments to reconcile profit (loss)	<u>(789,616)</u>	<u>(681,376)</u>
A30000 Changes in operating assets and liabilities:		
A31115 Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	(215,310)	(379,665)
A31150 Decrease (increase) in accounts receivable	(84,156)	(53,543)
A31160 Decrease (increase) in accounts receivable due from related parties	(8,802)	(99,139)
A31190 Decrease (increase) in other receivable due from related parties	(731)	1,140
A31200 Decrease (increase) in inventories	(27,402)	(286,282)
A31240 Decrease (increase) in other current assets	33,583	(26,211)
A31990 Decrease (increase) in defined benefit assets	21	(676)
A32000 Changes in operating assets and liabilities:		
A32125 Increase (decrease) in contract liabilities	(35,526)	(72,452)
A32150 Increase (decrease) in accounts payable	42,516	260,770
A32160 Increase (decrease) in accounts payable to related parties	(124,118)	(32,796)
A32180 Increase (decrease) in other payable	37,800	8,174
A32190 Increase (decrease) in other payable to related parties	6,742	12,230
A32230 Increase (decrease) in other current liabilities	3,836	6,253
A30000 Changes in operating assets and liabilities:	<u>(371,547)</u>	<u>(662,197)</u>
A20000 Adjustments:	<u>(1,161,163)</u>	<u>(1,343,573)</u>
A33000 Cash inflow (outflow) generated from operations	476,779	400,880
A33100 Interest received	45,327	9,656
A33200 Dividends received	400,217	607,899
A33300 Interest paid	(259)	(218)
A33500 Income taxes refund (paid)	<u>(218,320)</u>	<u>(57,612)</u>
AAAA Cash flows from (used in) operating activities:	<u>703,744</u>	<u>960,605</u>
BBBB Cash flows from (used in) investing activities		
B00010 Acquisition of financial assets at fair value through other comprehensive income	(15,000)	(6,000)
B00030 Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,500	500
B02300 Return of capital from subsidiary liquidation	264	-
B02400 Decrease in capital returned from the investment accounted for using equity method	-	177,900
B02700 Acquisition of property, plant and equipment	(23,561)	(16,052)
B02800 Proceeds from disposal of property, plant and equipment	-	1,471
B04500 Acquisition of intangible assets	(19,298)	(22,544)
B06600 Increase in other financial assets	(232,531)	(34)
B06800 Increase in other non-current assets	-	(1,394)
BBBB Cash flows from (used in) investing activities	<u>(286,626)</u>	<u>133,847</u>
CCCC Cash flows from (used in) financing activities		
C04020 Payments of lease liabilities	(7,347)	(6,165)
C04400 Decrease in other non-current liabilities	-	(70)
C04500 Cash dividends paid	(618,092)	(529,793)
C09900 Other financing activities	320	32
CCCC Cash flows from (used in) financing activities	<u>(625,119)</u>	<u>(535,996)</u>
EEEE Net increase (decrease) in cash and cash equivalents	(208,001)	558,456
E00100 Cash and cash equivalents at beginning of period	1,255,603	697,147
E00200 Cash and cash equivalents at end of period	<u>\$ 1,047,602</u>	<u>1,255,603</u>

(See accompanying notes to parent-company-only financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp.**  
**2023 Profit Distribution Statement**

(Unit: NT\$)

Items	Total
Beginning unappropriated retained earnings	4,125,205,552
Add : Net profit after tax	1,382,155,584
Add : Actuarial gains and losses adjusted into retained earnings	405,225
Add: The recognition of actuarial gains and losses of Associates accounted for Using Equity Method	7,298
Less : Legal reserve	(138,256,811)
Add : Reversal of special reserve	68,288,553
<b>Total distributable earnings</b>	<b>5,437,805,401</b>
Distribution :	
Cash dividend of common stock (NT\$3.5 per share)	(618,092,265)
<b>Ending unappropriated retained earnings</b>	<b>4,819,713,136</b>

Chairman:  
Ming-Chih Chang

Manager:  
Jonq-Liang Jiang

Account Officer:  
Ti-Szu Wei

## **Articles of Incorporation**

### **Chapter 1**

#### **General Provisions**

- Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name is IEI Integration Corp.
- Article 2: The scope of business of the Company shall be as follows:
1. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
  2. CC01080 Electronic Parts and Components Manufacturing
  3. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
  4. CC01110 Computer and Peripheral Equipment Manufacturing
  5. CC01120 Data Storage Media Manufacturing and Duplicating
  6. I301010 Software Design Services
  7. F401010 International Trade
  8. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
  9. CF01011 Medical Devices Manufacturing
  10. F108031 Wholesale of Medical Devices
  11. F208031 Retail sale of Medical Equipment
  12. F118010 Wholesale of Computer Software
  13. F218010 Retail Sale of Computer Software
  14. I301020 Data Processing Services
  15. I301030 Digital Information Supply Services
  16. F601010 Intellectual Property
- ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company may provide endorsement and guarantee to public for the businesses and investment.
- Article 2-2: The Company's total investment amount is unrestricted from Company Act, Article 13, and may exceed forty percent of the paid-in capital.
- Article 3: The Company shall have its head office in New Taipei City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4: (deleted)

### **Chapter 2**

#### **Capital Stock**

- Article 5: The Company has a total capital of NT\$3.5 billion, divided into 350 million shares with a par value of NT\$10 per share, issued in stages by the Board of Directors. Out of which, NT\$100 million is divided into 10 million shares with a par value of NT\$10 per share, reserved for use when the stock option certificates are exercised.
- Article 6: In accordance with the law, the ones that the Company transfers the acquired shares, issues employee stock option certificates, subscribes new shares, and issues restricted stocks to employees all meet the certain conditions or are employees of subsidiary companies. The certain conditions would be set by the Board of Directors.
- Article 7: The Company may issue shares without printing share certificate(s). However, the registration shall be made to centralized securities depository institution.
- Article 8: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.
- Article 8-1: If the Company intends to issue employee stock option certificates at a price lower than the market price, such issuance shall comply with Article 56-1 and Article 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and shall be approved by the shareholders' meeting before issuance.
- Article 8-2: If the Company intends to transfer the repurchased shares to employees at a price lower than the average repurchase price, such transfer shall comply with Article 10-1 and Article 13 of the Regulations Governing the Repurchase of Shares of Listed and OTC Companies. The transfer shall be carried out after a latest resolution by the shareholders' meeting (attended by shareholders holding more than half of the issued shares and approved by more than two-thirds of the attended shareholders' voting rights).

### **Chapter 3**

#### **Shareholders' Meeting**

- Article 9: Shareholders' meeting of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.

When holding shareholders' meeting, the Company shall use virtual meetings or other ways announced by the central executive authority.

Article 10: When a shareholder is unable to attend a shareholders' meeting due to certain circumstances, they may appoint a proxy to attend the meeting on their behalf in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies.

Article 11: Except for the regulations in the laws, our shareholders are entitled to one vote for each share held.

Article 12: Except otherwise provided by the Company Act, the resolutions of shareholders shall be adopted by the concurrence of a majority of the votes held by shareholders present in the meeting representing over one half of the total issued stock of the Company. According to the authority, the Company's shareholders may exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and all related matters will be handled in accordance with legal regulations.

#### **Chapter 4** **Directors and Audit Committee**

Article 13: The Company shall have five to seven Directors. The tenure of office of Directors shall be three years. Directors shall be elected by adopting candidates' nomination system and the shareholders' meeting shall elect them from the candidate list, and they shall be eligible for successive assignment.

Among the directors specified in the preceding paragraph, there must be at least three independent directors, and their number may not be less than one-fifth of the total number of directors. Matters related to the professional qualifications, shareholdings, limitations on concurrent positions, nomination and election methods, and other applicable requirements for independent directors shall be governed by relevant regulations of the authority.

Article 13-1: The Company may establish an Audit Committee in accordance with the Securities and Exchange Act, composed of all independent directors. The Audit Committee is responsible for performing the duties of a supervisor stipulated in Company Act, Securities and Exchange Act, and other legal regulations, and shall comply with relevant laws and company regulations.

Article 13-2: When convening a Board of Directors meeting, the agenda shall be stated and notice shall be given to each director at least seven days in advance. In case of an emergency, the meeting may be convened at any time without prior written notice.

The notice mentioned in the preceding paragraph may be given by means of written document, fax or emails.

Article 14: The Directors shall constitute the Board of Directors and shall elect one chairman of the Board from among themselves by a majority at a meeting attended by at least two-thirds of the Directors. The Chairman shall externally represent the Company.

Article 15: In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act. In case that the director is unable to attend, they shall issue a letter of attorney and specify the scope of authority of reasons for convening the meeting, authorizing other directors to attend the Board of Directors on their behalf. However, the authorization is limited to one person only. The delegate of directors shall be appointed in compliance with Article 205 of the Company Act.

Article 16: The resolution of the Board of Directors shall require over a half of the attendance of directors, and over a half of the agreement of attended directors, except as other regulations provided by the Company Act.

Article 16-1: The Company shall purchase liability insurance for directors to mitigate the risk of directors being sued by shareholders or other stakeholders for carrying out their duties in accordance with the law.

Article 16-2: The remuneration of the Chairman and directors of the Company shall be authorized by the Board of Directors based on their level of involvement and value contributed to the Company's operations, taking into account the usual industry standards.

#### **Chapter 5** **Managerial Officials**

Article 17: In accordance with the Board of Directors' resolution, the Company has established the position of President to be fully in charge of the operation and the decision making of the company and its associated. The company has general manager, deputy general manager, associate general manager, manager and other professional titles. The appointment, dismissal, and compensation of the aforementioned managerial personnel shall be handled in accordance with the provisions of the Company Act. The appointment and dismissal of the General Manager are nominated by the Chairman of the Board, while the appointment and remuneration of managers other than the General Manager are proposed by the General Manager.

#### **Chapter 6** **Accounting**

Article 18: After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and in accordance with the law, shall be submitted to the regular meeting of shareholders for acceptance.

1. Business Report
2. Financial Statements

3. The surplus earning distribution or loss off-setting proposals
- Article 19: If the Company earns profits in the fiscal year, we shall allocate 5% to 20% as employee remuneration, which will be distributed by the Board of Directors in the form of stocks or cash. The recipients of the distribution include employees of subsidiary companies who meet certain conditions, which will be determined by the Board of Directors; the Board of Directors may allocate an amount not exceeding 3% of the mentioned profit as director remuneration. The remuneration distribution plan for employees and directors shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, it should reserve the amount necessary for offsetting the losses before allocating remuneration to employees and directors according to the preceding percentage.
- Article 20: If there is any surplus in the Company's annual final accounts, the tax shall be paid first, followed by the offset of previous losses. Then, 10% shall be allocated as the legal surplus reserve. After making provisions or reversing the special surplus reserve in accordance with the law, if there is still a balance, the remaining balance shall be combined with the accumulated undistributed earnings, and the Board of Directors shall propose a profit distribution plan and submit it to the shareholders' meeting for resolution.
- Article 20-1: The Company is currently in a period of business growth. In order to respond to the overall industry environment and the need for business expansion, future dividend payments will consider the Company's medium and long-term financial capital budget planning to balance the dividend policy. The goal is to pursue a stable and sustainable development. After accounting the annual after-tax profits, the Company shall allocate the legal surplus reserves in accordance with the provisions of the Articles of Incorporation. As for shareholder dividends, the Board of Directors shall consider factors such as past payment status, industry standards, and future operating capabilities to develop a plan. Shareholder dividends shall not exceed 90% of the accumulated distributable profits, and the cash dividend portion shall not be less than 5% of the shareholder dividend.
- Article 20-2: (deleted)
- Chapter 7** **Supplementary Provisions**
- Article 21: In regard to all matters not provided for in these articles, the Company Act shall govern.
- Article 21-1: (deleted)
- Article 22: These Articles of Incorporation are established on April 14, 1997, and the first Amendment on May 8, 1997, the second Amendment on October 4, 1997, the third Amendment on May 26, 1998, and the fourth Amendment on June 28, 1998, and the fifth Amendment on October 29, 1998, and the sixth Amendment on June 30, 1999, and the seventh Amendment on October 18, 1999, and the eighth Amendment on April 15, 2000, and the ninth Amendment on June 21, 2001, the tenth Amendment on April 22, 2002, and the eleventh Amendment on June 27, 2003, and the twelfth Amendment on June 15, 2004, and the thirteenth Amendment on June 14, 2005, and the fourteenth Amendment on June 14, 2006, and the fifteenth Amendment on June 15, 2007, but the Article 8-1 and Article 8-2 amendment took effect from the date of January 1st, 2008, and the sixteenth Amendment on June 13, 2008, and the seventeenth Amendment on June 10, 2009, and the eighteenth Amendment on June 14, 2010, and the nineteenth Amendment on June 10, 2011, and the twentieth Amendment on June 12, 2012, and the twenty-first Amendment on August 7, 2012, and the twenty-second Amendment on June 17, 2013, and the twenty-third Amendment on June 15, 2016, and the twenty-fourth Amendment on June 16, 2017, and the twenty-fifth Amendment on June 12, 2020, and the twenty-sixth Amendment on June 16, 2023.

## Rules of Procedure for Shareholders' meetings

- Article 1 Purpose  
To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Procedures includes the following:  
The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Convening shareholders' meetings and shareholders' meeting notices  
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.  
Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.  
In the event of a shareholder meeting conducted a virtual conference, except otherwise stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall be included in the articles and decided by the board of directors that resolutions of the virtual shareholders meeting must be implemented with the attendance of at least two-thirds of the directors and the approval of the majority of the attending directors.  
The Company 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, 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. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. The Company shall make the meeting handbook and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:
- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
  - II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
  - III. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.  
Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.  
Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.  
A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.  
Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

Article 4 Commission of attendance at shareholders' meeting and authorization

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

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

After a proxy form has been delivered to the Company, 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 the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

Article 5 Principles determining the time and place of a shareholders' meeting

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

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

Article 6 Preparation of documents such as the attendance book

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

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

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

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company 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.

The Company 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.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

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

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

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

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

To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. 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:



- (I) 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.
- (II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
- (III) 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 shareholders' 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.
- (IV) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. Except for the provisions of Article 44-9, paragraph 6, of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided, and the period during which shareholders may apply to the company and other relevant matters to be noted by shareholders shall be specified.

Article 7

The chair and non-voting participants of a shareholders' meeting

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

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

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

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

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

Article 8

Documentation of a shareholders' meeting by audio or video

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

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

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

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

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

Article 9

Calculation of numbers of shares for shareholders' meeting attendance and meetings

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.

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

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10

Discussion of Proposals

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

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

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and 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 and call for a vote.

Article 11

Shareholder speech

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

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

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

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

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

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

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

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

Article 12

Calculation of voting shares and recusal system

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

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of 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,

Article 13

when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Way of voting on a proposal, vote monitoring and counting

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

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that 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 shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

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

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

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

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

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

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

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

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

Article 14

Election Matters

The election of directors at a shareholders' 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 the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

- Article 15 Meeting Minutes and Signing Matters  
 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.  
 The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.  
 Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.  
 When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.
- Article 16 Public disclosure  
 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.  
 During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.  
 If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.
- Article 17 Maintaining order at the meeting place  
 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.  
 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."  
 At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by 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 shareholders' meeting  
 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.  
 If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.  
 A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19 Disclosure of information at virtual meetings  
 In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
- Article 20 Location of the chair and secretary of virtual-only shareholders' meeting  
 When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
- Article 21 Handling of disconnection  
 In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

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

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

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

When the Company 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 shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

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

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

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' 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, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22

Handling of digital divide

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Except for the provisions of Article 44-9, paragraph 6, of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided, and the period during which shareholders may apply to the company and other relevant matters to be noted by shareholders shall be specified.

Article 23

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

## Shareholdings of Directors

As of date : April 20, 2024

Position	Name	Current shareholding
Chairman	QNAP Systems Inc. Representative: Ming-Chih Chang	23,963,007
Director	Jonq-Liang Jiang	205,374
Director	Wen-Yi Liou	8,657
Director	Ying-Yin Li	2,031,759
Independent Director	In-Chyuan Ho	-
Independent Director	Jia-Lien Hsu	-
Independent Director	Wen-Pao Lo	-
The combined shareholding of all supervisors		26,208,797
The minimum required combined shareholding of all supervisors		10,595,867

**Note 1:** Book closure date : April 20, 2024 ~ June 18, 2024

**Note 2:** Paid-in capital: NT\$1,765,977,900 ; Total number of outstanding shares: 176,597,790 shares