

Stock Symbol: 6187



*All Ring Tech Co., Ltd.*

# **All Ring Tech Co., Ltd.**

## **2023 Annual General Meeting**

### **Meeting Handbook**

**(Translation)**

Time: 9:00 a.m., June 15, 2023

Location: No. 23, Luke 5th Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)

(Southern Taiwan Science Park - Kaohsiung Campus)

**Notice to Readers:**

*For the convenience of readers, the Meeting Handbook has 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 version shall prevail.*

# All Ring Tech Co., Ltd.

## Meeting Handbook of 2023 Annual General Meeting

<u>Contents</u>	<u>Page</u>
I. Meeting Procedures.....	2
II. Meeting Agendas .....	3
III. Report Items.....	4
IV. Ratification Items .....	14
V. Discussion Items .....	16
VI. Election Items .....	39
VII. Other Matters .....	41
VIII. Extraordinary Motions .....	43
IX. Meeting Adjournment .....	44
X. Attachments .....	45
Attachment I: Business Report.....	45
Attachment II: Details of Remuneration of Individual Directors for 2022.....	47
Attachment III: CPA's Audit Report and Parent Company Only Financial Statements and Consolidated Financial Statements for 2022.....	49
Attachment IV: Earnings Distribution Table for 2022 .....	74
XI. Appendices	
Appendix I: Articles of Incorporation .....	75
Appendix II: Rules and Procedures of the Shareholders' Meeting .....	79
Appendix III: Operational Procedures for Loaning of Company Funds (current).....	88
Appendix IV: Procedures for Endorsement and Guarantee (before Amendment) .....	94
Appendix V: Rules and Procedures of Directors' Meetings.....	100
Appendix VI: Measures for the First Time Share Repurchase and Transfer to Employees in 2022.....	107
Appendix VII: Share Ownership of Directors.....	110

**All Ring Tech Co., Ltd.**  
**Agenda of the 2023 Annual General Meeting**

- I. Call the Meeting to Order
- II. Chairperson's Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Election Items
- VII. Other Matters
- VIII. Extraordinary Motions
- IX. Meeting Adjournment

**All Ring Tech Co., Ltd.**  
**2023 Annual General Meeting**  
**Agenda**

- I. Time: 9:00 a.m., June 15, 2023
- II. Location: No. 23, Luke 5th Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)  
(Southern Taiwan Science Park - Kaohsiung Campus)
- III. Call the Meeting to Order
- IV. Chairperson's Remarks: omitted.
- V. Report Items:
  - (I) 2022 Business Report.
  - (II) Review Report of Audit Committee.
  - (III) Report on the Company's Distribution of Compensation to Its Directors and Employees in 2022.
  - (IV) Report on Remuneration of Individual Directors in 2022.
  - (V) Execution Status of Repurchasing Treasury Stocks.
  - (VI) The Status of Endorsements and Guarantees.
  - (VII) Information on Investments in Mainland China.
  - (VIII) Amendment to the company's Rules of Procedure for Board of Directors' Meetings
- VI. Ratification Items:
  - (I) Approval of 2022 Business Report and Financial Statements.
  - (II) Approval of 2022 Profit Distribution Plan.
- VII. Discussion Items:
  - (I) Amendments to the company's "Operating Procedures for Loaning of Funds to Others"
  - (II) Amendments to the company's "Operating Procedures for Endorsements/Guarantees"
- VIII. Election Items  
Re-election of the Company's 11th Board of Directors.
- IX. Other Matters  
The proposal to request the 2023 general shareholders' meeting to remove restrictions on non-competition for the company's Directors and their representatives as provided in Article 209 of the Company Act is submitted for approval.
- X. Extraordinary Motions
- XI. Meeting Adjournment

## **[Report Items]**

### **(I) 2022 Business Report**

For the Company's 2022 Business Report, please refer to Attachment I (page 45).

(II) Audit Committee's Review Report

**All Ring Tech Co., Ltd.**

**Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and the proposal for distribution of earnings. Yong-Chih Lin and Tsi-Meng Liu the CPAs from PricewaterhouseCoopers Taiwan (PwC Taiwan) was retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. We have examined the Company's 2022 Business Report, Financial Statements, and the proposal for distribution of earnings that have been approved by the Board of Directors. We hereby respectfully prepare and present this Report in accordance with Article 14-4 of Security Exchange Law and Article 219 of Company Act for your review.

To

2023 Shareholders' Meeting of All Ring Tech Co., Ltd.

All Ring Tech Co., Ltd.

Convener of the Audit Committee: Ming-Hsien Li

February 22, 2023

(III) Report on the Company's Distribution of Compensation to Its Directors and Employees in 2022

Note: the Company will pay NT\$7,483,003 as remuneration to the directors and NT\$26,610,000 to the employees based on the profit situation in 2022 (in cash), no difference from the recognized expenses in 2022.

#### (IV) Report on Remuneration of Individual Directors in 2022

Note: The remunerations received by the directors of the Company, including the remuneration policy, the content and amount of individual remunerations, and the relationship with performance evaluation, are described as follows:

1. The salary and remuneration of the independent directors and directors of the Company shall be handled in accordance with the “Regulations on Salary and Remuneration of Directors”, except that in accordance with Article 20 of the Company's Articles of Incorporation, the remuneration of directors shall not exceed 3% of the profit of the Company.
  - (1) The salary of independent directors is paid on a monthly basis, regardless of profit or loss, and the independent directors do not participate in the remuneration distribution of directors.
  - (2) The rest of the directors are paid by 0~150% of the peer salary level according to the level of participation and contribution of individual directors to the operation of the Company; for the remuneration paid separately to individual directors, the Remuneration Committee will consider the overall performance of the Board of Directors, the Company's operating performance, and the Company's future operation and risk appetite, propose the distribution proposal, and submit to the Board of Directors for discussion and approval before distribution.
2. For details of the remuneration of individual directors in 2022, please refer to Attachment II (pages 47-48).

(V) Execution Status of Repurchasing Treasury Stocks

Notes 1. According to the provisions of Article 28-2 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the status of treasury stock repurchase by the Company is as follows:

The Table of Repurchase of the Company's Shares

Repurchase time	9th repurchase	10th repurchase
Purpose of repurchase	Shares Transferred to Employees	Shares Transferred to Employees
Repurchase Period	March 19, 2020 - May 15, 2020	August 12, 2022 - October 7, 2022
Price Range of Repurchase	NT\$21-60	NT\$55-110
Type and number of shares repurchased	1,870,000 ordinary shares	898,000 ordinary shares
Repurchased share value	NT\$66,448,500	NT\$67,901,446
The average buyback price per share	NT\$35.53	NT\$75.61
Number of Shares Transferred to Employees	0 share	0 share
Cumulative number of the company's shares held	1,870,000 shares	2,768,000 shares
Accumulated number of shares held to the total number of shares issued (%)	2.24%	3.32%

Notes:

1. The shares purchased by the company for the purpose of transferring shares to employees shall be transferred in full within five years from the date of repurchase. If the shares are not transferred within the time limit, they shall be deemed as unissued shares of the company, and the registration for change of eliminating shares shall be handled in accordance with the law.
2. Measures for the Ninth Time Share Repurchase and Transfer to Employees have been reported in the Shareholder's Meeting on June 10, 2020. As of now, no amendment has been made.
3. Measures for the Tenth Time Share Repurchase and Transfer to Employees are supposed to reported in this Shareholder's Meeting. Please see Appendix 4 for details (Page94).

(VI) The Status of Endorsements and Guarantees

Notes: In compliance with the company's Operating Procedures for Endorsements/Guarantees, the total amount of endorsement provided by the company shall not exceed 40% of its current net worth. The endorsement provided for any single entity shall not exceed 20% of the company's current net worth. For any single entity in business with the company, the endorsement should not exceed the total amount of transactions with the company in the most recent year (the purchase or sales amount between the two parties, whichever is higher). The net worth is as reported in the latest Financial Statement audited by the accountants.

Unit: NT\$ Thousands; December 31, 2022

Targets	Endorsement/ Guarantee amount	Endorsement/ Guarantee Limit for a Single Enterprise	Maximum Endorsement/Guarantee Limit
Uniring Tech Co., Ltd.	30,000	486,376	972,751

(VII) Information on Investments in Mainland China

The company's investment amount in mainland China and remittance amount to mainland China approved by the Investment Commission of the Ministry of Economic Affairs are as follows:

Unit: US dollar; December 31, 2022

Company Name	Accumulated amount of investment remitted out of China at the end of this period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)
All Ring Tech Co., Ltd.	7,550,714	18,703,961
PAI FU International Limited	2,000,000	

(VIII) Amendment to the company's Rules of Procedure for Board of Directors' Meetings

Note: According to JGZFF No. 1110383263 Letter issued by the Financial Supervision and Management Committee, relevant provisions are revised, and the amendment comparison table is as follows:

Article	Revised Article	Former Article	Notes
Article 2	Meeting regulations, the main agenda, operational procedures, particulars to be specified in the meeting minutes, public announcements, and other compliance matters shall be handled in accordance with the <u>Rules</u> and Procedures of Directors' Meetings.	Meeting regulations, the main agenda, operational procedures, particulars to be specified in the meeting minutes, public announcements, and other compliance matters shall be handled in accordance with the <u>Rules</u> and Procedures of Directors' Meetings.	
Article 4	2. If a director finds the meeting materials <u>insufficient</u> , he/she may ask the Finance Department for supplemental materials.	2. If a director finds the meeting materials <u>insufficient</u> , he/she may ask the Finance Department for supplemental materials.	
Article 12	1. The following matters shall be discussed in the directors' meeting. Except in an emergency or for a good reason, these matters shall be set out in the meeting notice and may not be raised as extempore motions: I ~ V. Omitted VI. <u>Selection or Removal of Directors when Managing Directors have not been Appointed.</u> VII. Appointment or dismissal of a financial, accounting, or internal audit officer. VIII. Donation to a related party or major donation to a unrelated party, with the exception of the donation of public interest designed for disaster relief of a major natural disaster. In the latter case, the donation may be submitted for acceptance at the next meeting by the directors.	1. The following matters shall be discussed in the directors' meeting. Except in an emergency or for a good reason, these matters shall be set out in the meeting notice and may not be raised as extempore motions: I ~ V. Omitted VI. Appointment or dismissal of a financial, accounting, or internal audit officer. VII. Donation to a related party or major donation to a unrelated party, with the exception of the donation of public interest designed for disaster relief of a major natural disaster. In the latter case, the donation may be submitted for acceptance at the next meeting by the directors.	This article is amended in line with the regulations

Article	Revised Article	Former Article	Notes
	<p>IX. Omitted</p> <p>2. A related party in Subparagraph 8 refers to the related party specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers;</p> <p>The following is omitted...</p>	<p>VIII.Omitted</p> <p>2. A related party in Subparagraph 7 refers to the related party specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers;</p> <p>The following is omitted...</p>	
Article 15	<p>The following directors or corporates of other representatives shall abstain during the deliberation of the matters listed below. They shall have the right to provide opinions and answer to the inquiry, but shall not be allowed to join the discussion and vote. They shall abstain during the discussion and ballot, and shall not represent other directors to exercise their voting rights :</p> <p>1. Those who have interests with a legal entity or its legal representative. They shall report the key content of the interests at the directors' meeting.</p> <p>The following is omitted...</p>	<p>The following directors or corporates of other representatives shall abstain during the deliberation of the matters listed below. They shall have the right to provide opinions and answer to the inquiry, but shall not be allowed to join the discussion and vote. They shall abstain during the discussion and ballot, and shall not represent other directors to exercise their voting rights :</p> <p>1. Those who have interests with a legal entity or its legal representative. They shall report at the directors' meeting the key content of the interests <u>that may pose a potential harm to the interests of the Company.</u></p> <p>The following is omitted...</p>	
Article 16	<p>1. Proceedings of the Board of Directors shall be recorded in the meeting minutes. The minutes shall detail the following matters: I ~ VI, Omitted</p> <p>VII. Resolution methods and results, summary of the statement by directors, experts and other personnel...</p> <p>VIII ~ IX. Omitted</p> <p>2. Omitted</p> <p>3. Omitted</p> <p>4. The preparation and distribution of the minutes shall be done <u>in writing or electronically (E-mail).</u> In addition, the check-in book of</p>	<p>1. Proceedings of the Board of Directors shall be recorded in the meeting minutes. The minutes shall detail the following matters: I ~ VI. Omitted</p> <p>VII. Resolution methods and results, summary of the statement by directors, <u>supervisors,</u> experts and other personnel...</p> <p>VIII.Omitted</p> <p>IX. Omitted</p> <p>2. Omitted</p> <p>3. Omitted</p> <p>4. The preparation and distribution of the minutes shall be done by means of <u>public announcement.</u></p>	

Article	Revised Article	Former Article	Notes
	a directors' meeting is considered part of the minutes and shall be kept permanently.	In addition, the check-in book of a directors' meeting is considered part of the minutes and shall be kept permanently.	
Article 19	<p>The establishment and revision of the procedures of the Rules shall be approved by the Board of Directors.</p> <p>The Board of Directors revised it for the first time on December 29, 2006.</p> <p>The Board of Directors revised it for the second time on March 14, 2008.</p> <p>The Board of Directors revised it for the third time on February 20, 2012.</p> <p>The Board of Directors revised it for the fourth time on December 25, 2012.</p> <p>The Board of Directors revised it for the fifth time on August 7, 2017.</p> <p>The Board of Directors revised it for the sixth time on February 26, 2020.</p> <p>The Board of Directors revised it for the seventh time on February 22, 2023.</p>	<p>The establishment and revision of the procedures of the Rules shall be approved by the Board of Directors.</p> <p>The Board of Directors revised it for the first time on December 29, 2006.</p> <p>The Board of Directors revised it for the second time on March 14, 2008.</p> <p>The Board of Directors revised it for the third time on February 20, 2012.</p> <p>The Board of Directors revised it for the fourth time on December 25, 2012.</p> <p>The Board of Directors revised it for the fifth time on August 7, 2017.</p> <p>The Board of Directors revised it for the sixth time on February 26, 2020.</p>	Addition of revision date

## **Ratification Items**

### **Proposal 1 (Proposed by the Board of Directors)**

**Proposal:** To ratify the 2022 Business Report and Financial Statements.

**Notes:** 1. The Company's 2022 Annual Business Report and Financial Statements were approved by the Board of Directors and sent to the Audit Committee for review. The Financial Statements were verified by certified accountants Yong-Chih Lin and Tsi-Meng Liu from PwC Taiwan. The report and statements are attached for approval.

2. Please refer to Attachment I (page 45): Annual Business Report  
Attachment III (pages 49~73): CPA's Audit Report, 2022 Parent Company Only Financial Statements and Consolidated Financial Statements

**Resolution:**

## Proposal 2 (Proposed by the Board of Directors)

Proposal: Ratification of the Company's 2022 earnings distribution.

Note: 1. The Company's 2022 earnings distribution was approved by the Board of Directors on February 22, 2022, and was reviewed by the Audit Committee.

2. The cash dividend of NT\$249,723,296 (NT\$3.10 per share as cash dividend) to be distributed to shareholders in the company's accumulated undistributed surplus in 2022, please refer to Attachment IV (page 74).

Resolution:

## Discussion Items

### Proposal 1 (Proposed by the Board of Directors)

Proposal: To vote on the Amendments to the company's Operating Procedures for Loaning of Funds to Others

Note : It is proposed to amend part of provisions of “Procedures for Extending Loans to Others” in accordance with the summary on questions and answers of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees” revised by the Financial Supervisory Commission in December 2021, and the amendment comparison table is as follows:

Article	Revised Article	Former Article	Notes
Article 1	<p>Purpose and Legal Basis</p> <p>In accordance with the company's actual needs, the company needs to lend funds to other companies (hereinafter referred to as the borrower) in accordance with the Operating Procedures. The Operating Procedures is developed based on the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" <u>issued by the Financial Supervision and Management Committee</u>; any unspecified matters in the Operating Procedures shall be handled in accordance with relevant laws and regulations.</p>	<p>Purpose and Legal Basis</p> <p>In accordance with the company's actual needs, the company needs to lend funds to other companies (hereinafter referred to as the borrower) in accordance with the Operating Procedures. The Procedures were formulated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies specified in the Tai-Cai-Zheng Liu-Zi No. 0910161919 dated December 18, 2002. Any unspecified matters in the Procedures shall be governed by the relevant regulations.</p>	<p>This article is amended in line with the regulations</p>
Article 2	<p>Evaluation Criteria for Counterparty to Whom Funds Are Loaned</p> <p>According to the Company Act, the company's funds shall not be loaned to shareholders or any other person except in the following circumstances:</p> <ol style="list-style-type: none"> <li>1. A corporation or sole proprietorship and partnership that have business dealings with the Company.</li> <li>2. A corporation or sole proprietorship and partnership that has necessary short-term financing with the Company. A short term refers to the term within one year,</li> </ol>	<p>Evaluation Criteria for Counterparty to Whom Funds Are Loaned</p> <p>According to the Company Act, the company's funds shall not be loaned to shareholders or any other person <u>except in</u> the following circumstances:</p> <ol style="list-style-type: none"> <li>1. A corporation or sole proprietorship and partnership that have business dealings with the Company; <u>the term "business dealings" mentioned above refers to those who have purchased or sold goods from/to the Company</u></li> <li>2. A corporation or sole proprietorship and partnership that has necessary short-term financing with the Company. <u>; it is only limited to a corporation</u></li> </ol>	<p>The words are prudently amended in line with the regulations</p>

Article	Revised Article	Former Article	Notes
		<p><u>or sole proprietorship and partnership (of which the company holds more than 20% of shares) that has the need for short-term financing due to business needs. The</u> aforementioned "short-term" refers to the period of one year <u>or one business cycle, whichever is longer in accordance with the aforementioned official letter issued under the Ministry of Economic Affairs. The amount of financing refers to the accumulated balance of the company's short-term financing.</u></p>	
Article 3	<p>Total Amount of Funds Loaned and Limit of Each Fund Loaned The total amount of the funds loaned by the Company shall not exceed 40% of the Company's net worth as stated in the most recent financial statements.</p> <p><u>Funds Loaned and Limit of Each Fund Loaned:</u></p> <p>(I) Where <u>a company or sole proprietorship and partnership engage in business dealings with the Company, the total amount of the funds shall not exceed 20% of the net worth of the Company's most recent financial statements;</u> the amount of each fund shall not exceed the <u>total amount of business transactions between both parties in the most recent year based on risks.</u> The amount of business transactions refers to the amount of purchase or sales of goods between both parties, whichever is higher.</p> <p>(II) Where a corporation or sole proprietorship and partnership that has necessary short-term financing with <u>the Company, the total amount of the funds loaned shall not exceed 20% of the net worth of the Company's most recent financial statements;</u> the amount of each fund shall not</p>	<p>Total Amount of Funds Loaned and Limit of Each Fund Loaned The total amount of <u>financing shall not exceed 40% of the net worth of the company to which the fund is loaned; it may be divided into the following two situations.</u></p> <p>(I) Where <u>fund is loaned to a company or sole proprietorship and partnership with business dealings with the company, the total amount of the funds shall not exceed 20% of the net worth of the company;</u> the amount of each fund shall not exceed the amount of business transactions between both parties in the most recent year. The amount of business transactions refers to the amount of purchase or sales of goods between both parties, whichever is higher.</p> <p>(II) Where <u>fund is loaned to a company or sole proprietorship and partnership with the need for short-term financing, the total amount of the funds loaned shall not exceed 20% of the net worth of the company;</u> the amount of each fund shall not exceed <u>10% of the net worth of the company.</u></p> <p>The loan lending between the foreign companies of which the company directly or indirectly holds 100% of the voting shares or foreign</p>	The words are prudently amended in line with the regulations

Article	Revised Article	Former Article	Notes
	<p>exceed <u>10%</u> of the net worth of the company.</p> <p>With regard to loan lending among foreign <u>subsidiaries</u> of which <u>the Company</u> holds direct or indirect 100% of the voting shares, or between those <u>subsidiaries</u> and <u>the Company</u>, it is not <u>subject to the limit of 40% of the Company's net worth; the total amount of the funds loaned and the amount of each fund loaned shall not exceed 200% of the net worth in the lending company's most recent financial statements, and the duration of each fund shall be limited to one year.</u></p>	<p>companies of which a <u>publicly listed company</u> directly or indirectly holds 100% of the voting shares <u>engage loan lending with the public listed company</u> do not subject to the <u>aforementioned provision.</u></p>	
Article 4	<p>Duration and Calculation Method of Funds Loaned</p> <p>(I) The duration of each fund shall be limited to one year.</p> <p>(II) The interest of the fund loaned is calculated on a daily basis. The <u>interest rate</u> shall not be lower than the company's <u>highest interest rates</u> of short-term loans offered by banks.</p>	<p>Duration and Calculation Method of Funds Loaned</p> <p>(I) In principle, the duration of each fund loaned shall not exceed one year <u>or one business cycle (whichever is longer) from the date of the fund granted, and may only be extended once ( by one year) with the approval of the Board of Directors via resolution.</u></p> <p>(II) The interest of the fund loaned is calculated on a daily basis; <u>the sum of the daily loan balance (i.e. the total amount) is multiplied by its annual interest rate before divided by 365 as the amount of interest.</u> The <u>annual</u> interest rate shall not be lower than the company's <u>average</u> interest rates of short-term loans offered by banks.</p> <p>(III) <u>Unless otherwise stipulated, the payment of interest on the fund loaned shall be made on a monthly basis; the borrower may be notified to pay interest on time one week before the agreed interest payment date.</u></p>	<p>The words are prudently amended in line with the regulations</p>
Article 5	<p>Operating Procedures for Loaning of Funds</p> <p>1. <u>When applying for a loan from the Company, the borrower shall issue an application elaborating on the amount, term, purpose of</u></p>	<p>Operating Procedures for Loaning of Funds</p> <p>(I) <u>Procedures</u></p> <p>1. When the Company engages in loaning funds <u>or short-term financing, after the case</u></p>	<p>The words are prudently amended in line with the regulations</p>

Article	Revised Article	Former Article	Notes
	<p><u>the loan and pledge, and shall submit basic and financial information to the Company for credit investigation.</u></p> <p>2. <u>Targeting the preceding materials,</u> the department in charge of <u>the Company</u> shall meticulously review items including the necessity and reasonableness of the loaning of a fund, the <u>credit and risk assessment</u> of an entity to which the fund is loaned, the impact of the loaning of a fund on the operating risk, financial condition and shareholders' equity of the Company, and <u>whether it is necessary to obtain the relevant collateral and its valuation.</u></p> <p>3. <u>Where a borrower applies for a loan according to the preceding subparagraph,</u> <u>except subsidiaries whose more than 50% of the voting shares directly and indirectly are held by the Company, subsidiaries shall provide the paper, collateral, and/or other guarantees in the same amount required by the Company. If the collateral is provided, the procedures for creating a pledge and/or mortgage shall be conducted to ensure the Company's loan guarantee.</u></p> <p>4. <u>Before conducting loaning of funds to others, the Company shall prudently review whether procedures comply with provisions in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Procedures. The review results shall be submitted to the Chairman for approval together with those in the Paragraph 2 of the Article, after they are approved by the Audit</u></p>	<p><u>is reviewed by the department in charge,</u> it will be submitted to the Chairman for approval and reported to the Board of Directors for resolution before execution; <u>(Note: If Independent Directors have been set up,</u> their opinions shall be taken into full consideration during discussions at the Board meeting, and clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.) For the fund loaned between the company and its subsidiaries, or between the subsidiaries of the company, the matter shall be submitted to the Board of Directors for resolution in accordance with regulations; the Chairman of the Board may be authorized to provide the fund in multiple installments or revolving credit line for a period of no more than one (1) year to the same counterparty receiving the fund, provided that the amount of the loan is within a certain limit resolved upon by the Board of Directors. The certain limit mentioned above, except for foreign companies of which the company holds direct or indirect 100% of the voting shares, the credit limit of the fund loaned by the company or subsidiaries to a single enterprise shall not exceed 10% of the net worth of the company's latest financial statements.</p> <p>2. <u>The financial unit shall fill in "The Application Form for Loaning of Funds to Others"</u></p>	

Article	Revised Article	Former Article	Notes
	<p><u>Committee</u> and reported to the Board of Directors for resolution which are not allowed to <u>authorize others to make decisions</u>; During discussions at the Board meeting, and clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.</p> <p>5. For the fund loaned between <u>the company</u> and its subsidiaries, or between the subsidiaries of the company, the matter shall be submitted to the Board of Directors for resolution in accordance with regulations; the Chairman of the Board may be authorized to provide the fund in multiple installments or revolving credit line for a period of no more than one (1) year to the same counterparty receiving the fund, provided that the amount of the loan is within a certain limit resolved upon by the Board of Directors. The certain limit mentioned above, except for foreign companies of which the company holds direct or indirect 100% of the voting shares <u>engaging in loan lending without the credit limit</u>, the credit limit of the fund loaned by the company or subsidiaries to a single enterprise shall not exceed 10% of the net worth of the company's latest financial statements.</p> <p>6. After the fund loaned is approved the Board of Directors via resolution, the counterparty, the amount, the date of approval by the Board of Directors, the date of the fund granted, and the matters to be prudently evaluated in accordance with the review process shall be <u>detailed</u> in the <u>Memorandum Book that the financial unit shall make</u> for future reference.</p>	<p><u>for the matters regarding funds loaned to others. After the fund loaned is approved the Board of Directors via resolution</u>, the counterparty, the amount, the date of approval by the Board of Directors, the date of the fund granted, and the matters to be prudently evaluated in accordance with the review process shall be detailed in the "<u>Memorandum Book on Loaning of Funds to Others</u>" for future reference.</p> <p><u>3.</u> Internal auditors shall audit the operating procedures for <u>loaning of funds to others</u> and the implementation status on a quarterly basis and develop written records accordingly. If any material violation is found, the company shall immediately notify the Independent Directors in writing.</p> <p><u>4.</u> The financial unit <u>shall evaluate the situation of funds loaned, appropriate an adequate reserve for bad debts, properly disclose relevant information in the financial statements, and provide relevant information to certified public accountants (CPA) to perform necessary auditing procedures.</u></p> <p><u>5.</u> Where the balance of the fund loaned exceeds the limit due to changes in the circumstances, <u>the financial unit shall establish improvement plans, send relevant improvement plans in writing to all the Independent Directors, and complete the improvements in accordance with the schedule of the plans.</u></p> <p>(II) <u>Review Procedures</u></p>	

Article	Revised Article	Former Article	Notes
	<p>7. Internal auditors shall audit <u>the Operating Procedures and the implementation status on a quarterly basis and develop written records accordingly. If any material violation is found, the company shall immediately notify all the Independent Directors in writing.</u></p> <p>8. Where <u>the counterparty does not conform to relevant laws and provisions in the Operating Procedures or the balance of the fund loaned exceeds the limit due to changes in the circumstances, the Company shall establish improvement plans, send relevant improvement plans to the Audit Committee, and complete the improvements in accordance with the schedule of the plans.</u></p>	<p><u>1. When the Company engages in loaning of funds, the corporation or sole proprietorship and partnership that applies for loaning of a fund shall submit relevant financial information and statement of the purpose of the loaning of the fund in writing.</u></p> <p><u>2. After the company accepts an application, the department in charge shall investigate and assess the necessity and reasonableness of the loaning of a fund to others, whether the counterparty has a direct (indirect) business relationship with the company, the counterparty's financial status of the business, the solvency and credit, profitability, and the purpose of the fund, and after considering the extent of the impact of the total amount of the company's fund loaned on the company's business risk, financial status, and shareholders' equity, it shall prepare relevant written reports to the Board of the Directors for review.</u></p> <p><u>3. When the company engages in the loaning of funds or short-term financing, it shall obtain a secured note in the same amount, and, if necessary, register the pledge of movable property or immovable property, and assess whether the value of the collateral is equivalent to the balance of the fund loaned on a quarterly basis; if necessary, the collateral shall be increased. In the case of the loan guarantee of the preceding paragraph, if the borrower provides a personal</u></p>	

Article	Revised Article	Former Article	Notes
		<p><u>or corporate guarantee with equivalent worth and credit, instead of providing the collateral, the Board of Directors may proceed according to the review report issued by the department in charge; if the borrower has the corporate guarantee, attention shall be paid to whether the Articles of Incorporation contains provisions for the said guarantee.</u></p>	
Article 6	<p>Follow-up Control Measures and Overdue Loan Processing Procedures</p> <p>(I) After each fund loaned is granted, the financial unit shall always pay attention to the changes in the borrower's and guarantor's financial, business, and relevant credit status and in the value of the collateral; <u>If the borrower fails to repay the loan upon maturity and needs to defer it, the borrower shall file a request in advance and report it to the Board of Directors for approval before deferring it.</u></p> <p>(II) Omitted.</p> <p>(III)<u>In case of overdue loans that cannot be recovered after being urged, the financial unit shall immediately notify the legal unit to take further recourse action against the borrower to ensure the rights and interests of the Company.</u></p>	<p>Follow-up Control Measures and Overdue Loan Processing Procedures</p> <p>(I) After each fund is granted, the Finance Department shall always pay attention to the changes in the borrower's and guarantor's financial, business, and relevant credit status and in the value of the collateral, and prepare a written record accordingly.</p> <p>(II) Only when the borrower repays the loan upon or before maturity together with the principal plus accrued interest, the guarantee note shall be returned to the borrower, or the pledge can be canceled.</p> <p>(III)<u>If the borrower fails to repay the loan upon maturity and needs to defer it, the borrower shall file a request in advance and report it to the Board of Directors for approval before deferring it. In case of any violation, the company may impose a penalty on or claim the loan from the collateral or guarantor provided in accordance with laws.</u></p>	The words are prudently amended in line with the regulations
Article 7	<p>Management Procedures for Lending Funds to Other Parties by Subsidiaries</p> <p>(I) If a subsidiary of the Company intends to loan funds to others, the Company shall instruct the subsidiary to establish the</p>	<p>Management Procedures for Lending Funds to Other Parties by Subsidiaries</p> <p>(I) If a subsidiary of the company intends to loan funds to others, the company shall instruct the subsidiary to establish the</p>	The words are prudently amended in line with the regulations

Article	Revised Article	Former Article	Notes
	<p>"Operating Procedures for Loaning of Funds to Others" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and handle the relevant affairs according to the said Operating Procedures.</p> <p>(II) <u>If a subsidiary of the Company is supposed to loan funds to others, it shall fill out the Application Form for Loaning of Funds to Others and detailed review procedures to explain the content, which shall be approved by its Board of Directors via resolution.</u></p> <p>(III) <u>If a subsidiary of the Company is supposed to loan funds to others, it shall provide relevant information and make the Memorandum Book for the Company's review.</u></p>	<p>"Operating Procedures for Loaning of Funds to Others" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and handle the relevant affairs according to the said Operating Procedures; however, the net worth is based on that of the parent company; <u>however, the net worth is based on that of the parent company.</u> The so-called "subsidiaries and parent company" shall be defined according to the <u>Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u> Where the <u>financial statements of the public companies are prepared in accordance with the International Financial Reporting Standards, the stated net worth refers to the equity attributable to owners of parent company as set out in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>(II) <u>The subsidiary shall prepare a detailed list of the funds loaned to other companies in the preceding month prior to the fifth (excluding) of each month and submit it to the company for review.</u></p> <p>(III) <u>The audit unit of the company shall list the funds loaned by the subsidiaries to others as one of the audit items, and the auditing situation shall be listed as one of the necessary items in the audit report to the Board of Directors.</u></p>	
Article 8	<p>Information Disclosure</p> <p>(I) The Company shall <u>announce and declare</u> the balance of the funds loaned by the company and its subsidiaries prior to the 10th of each month.</p> <p>(II) The Company shall <u>announce</u></p>	<p>Information Disclosure</p> <p>(I) The Company shall enter the balance of the funds loaned by the company and its subsidiaries <u>into the Market Observation Post System (MOPS)</u> for the preceding month prior to the</p>	<p>The words are prudently amended in line with the regulations</p>

Article	Revised Article	Former Article	Notes
	<p><u>and declare</u> the information within two days after the date of occurrence of the event, when the company's loan to others meets one of the following criteria:</p> <ol style="list-style-type: none"> <li>1. The balance of the funds loaned to others by the company and its subsidiaries reaches 20% or more of the company's net worth as stated in the most recent financial statements.</li> <li>2. The balance of the funds loaned to a single enterprise by the company and its subsidiaries reaches 10% or more of the company's net worth as stated in the most recent financial statements.</li> <li>3. The amount of the fund newly loaned by the company and its subsidiaries reaches NT\$10 million or more and accounts for 2% of the company's net worth as stated in the most recent financial statements. The so-called "Date of occurrence" refers to the date of contract signing, date of payment, date of resolution by the Boards of Directors, or other dates that can confirm the counterparty and amount of the loan, whichever date is earlier.</li> </ol> <p>(III) If a subsidiary of the company is not a domestic public company, when the subsidiary shall announce and declare the matters as set out in <u>Subparagraph 3</u> in the preceding <u>paragraph</u>, the company shall do it on its behalf.</p> <p>(IV) <u>The Company shall evaluate the situation of funds loaned, appropriate an adequate reserve for bad debts, properly disclose relevant information in the financial statements, and</u></p>	<p>10th of each month.</p> <p>(II) The Company shall enter the information <u>into the Market Observation Post System (MOPS)</u> within two days after the date of occurrence of the event when the Company's loan to others meets one of the following criteria:</p> <ol style="list-style-type: none"> <li>1. The balance of the funds loaned to others by the Company and <u>its</u> subsidiaries reaches 20% or more of the Company's net worth as stated in the most recent financial statements.</li> <li>2. The balance of the funds loaned to a single enterprise by the Company and <u>its</u> subsidiaries reaches 10% or more of the company's net worth as stated in the most recent financial statements.</li> <li>3. The amount of the fund newly loaned by the company and <u>its</u> subsidiaries reaches NT\$10 million or more and accounts for 2% of the company's net worth as stated in the most recent financial statements. The so-called "Date of occurrence" refers to the date of contract signing, date of payment, date of resolution by the Boards of Directors, or other dates that can confirm the counterparty and amount of the loan, whichever date is earlier.</li> </ol> <p>(III) If a subsidiary of the company is not a domestic public company, when the subsidiary shall announce and declare the matters as set out in <u>point 3</u> in the preceding <u>subparagraph</u>, the company <u>shall</u> do it on its behalf.</p>	

Article	Revised Article	Former Article	Notes
	<u>provide relevant information to certified public accountants (CPA) to perform necessary auditing procedures.</u>		
Article 10	<p>Implementation and Amendment of the Procedures</p> <p><u>The Procedures shall be approved by the Audit Committee (The approval by more than half of all audit committee members in office shall be obtained. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting.)</u></p> <p>The Procedures, after passage by the Board of Directors, shall be submitted for approval by the shareholders' meeting for implementation; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion. The same shall apply to any amendments to the Procedures.</p> <p>the Procedures are submitted for discussion by the board of directors according to the above regulations, the Company shall take into full consideration each independent director's opinions. <u>If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</u></p> <p><u>The Operating procedures were revised on November 9, 2022.</u></p>	<p>Implementation and Amendment of the Procedures</p> <p>The Procedures, <u>after</u> passage by the Board of Directors, shall be submitted for approval by the shareholders' meeting for <u>implementation</u>; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion. The same shall apply to any amendments to the Procedures. In addition, when the Operating Procedures are submitted to the Board of Directors for deliberation <u>as mentioned in the preceding paragraph after Independent Directors are elected</u>, the opinions of all Independent Directors shall be fully considered, and their objection or reservation and <u>reasons for objection shall be listed in the Board meeting minutes. The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	<p>1. The words are prudently amended in line with the regulations</p> <p>2. Addition of revision date</p>
III.	This article is deleted.	<p>Control Points</p> <p>1. <u>Whether the amount of funds</u></p>	Control points are

Article	Revised Article	Former Article	Notes
		<p><u>loaned to others is appropriate without affecting the company's normal operations based on the company's current financial position.</u></p> <p>2. <u>Whether the limit of funds loaned to others and the counterparties are in compliance with the company's regulations.</u></p> <p>3. <u>Whether the financing period and the calculation and collection of interest accrued are executed effectively.</u></p> <p>4. <u>Whether each fund loaned is handled in accordance with the relevant regulations and review procedures.</u></p> <p>5. <u>Whether the account processing for each fund loaned externally is carried out in a detailed and accurate manner.</u></p> <p>6. <u>Whether there are follow-up control and collection of the amount of funds already loaned.</u></p> <p>7. <u>Whether the subsidiaries' control procedures for funds loaned to others are handled in accordance with the parent company's regulations.</u></p> <p>8. <u>Whether the application forms and details of the forms for the loaning of funds to others are consistent with the records on the Memorandum Book on Loaning of Funds to Others.</u></p> <p>9. <u>Are matters related to public announcement and declaration handled in accordance with the relevant regulations set forth by the competent authority?</u></p>	<p>not stated here.</p>
IV.	This article is deleted.	<p>Attachments</p> <p>1. <u>Application Form for Loaning of Funds to Others</u></p> <p>2. <u>Details of Amount of Funds Loaned to Others</u></p> <p>3. <u>Memorandum Book on Loaning of Funds to Others</u></p>	<p>Attachments are not stated here.</p>

Resolution:

## Proposal 2 (Proposed by the Board of Directors)

Proposal: To vote on the Amendments to Operating Procedures for Endorsements/Guarantees

Note: It is proposed to amend part of provisions of “Procedures for Endorsements/Guarantees” in accordance with the summary on questions and answers of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees” revised by the Financial Supervisory Commission in December 2021, and the amendment comparison table is as follows:

Article	Revised Article	Former Article	Notes
Article 1	<p>Purpose</p> <p>The Operating Procedures were formulated accordingly in order for the company to provide endorsements or guarantees for others. The Operating Procedures is developed based on the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" <u>issued by the Financial Supervision Committee</u> (hereinafter referred to as FSC); any unspecified matters in the Operating Procedures shall be handled in accordance with relevant laws and regulations.</p>	<p>Purpose</p> <p>The Operating Procedures were formulated accordingly in order for the company to provide endorsements or guarantees for others. The Procedures were formulated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies specified in the Tai-Cai-Zheng- Liu-Zi No. 0910161919 dated December 18, 2002. Any unspecified matters in the Procedures shall be governed by the relevant regulations.</p>	<p>This article is amended in line with the regulations</p>
Article 3	<p>Entities for which Endorsements/Guarantees are Provided</p> <p>(I) ~ (III). Omitted</p> <p>(IV) Companies in which the company holds, either directly or indirectly, 90% or more of the voting shares may provide endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the company. However, this restriction shall not apply to endorsements/guarantees provided between companies in which the company holds, either directly or indirectly, 100% of the voting shares.</p> <p>(V) Endorsements/guarantees provided by all shareholders, who make capital contribution, for their jointly invested company in proportion to their shareholding percentages shall not be subject to the restrictions</p>	<p>Entities for which Endorsements/Guarantees are Provided</p> <p>(I) ~ (III). Omitted</p> <p>Companies in which the company holds, either directly or indirectly, 90% or more of the voting shares may provide endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the company. However, this restriction shall not apply to endorsements/guarantees provided between companies in which the company holds, either directly or indirectly, 100% of the voting shares. Endorsements/guarantees provided by all shareholders, who make capital contribution, for their jointly invested company in proportion to their shareholding percentages shall not be subject to the restrictions specified in the preceding <u>two</u> paragraphs. The term "capital</p>	<p>The words are prudently amended.</p>

Article	Revised Article	Former Article	Notes
	specified in the preceding four paragraphs. The term "capital contribution" shall mean capital contribution directly by the company, or through a company in which the company holds 100% of the voting shares.	contribution" <u>specified in the preceding paragraph</u> shall mean capital contribution directly by the company, or through a company in which the company holds 100% of the voting shares.	
Article 4	<p>Limit on <u>and Evaluation Criteria</u> for Endorsement/Guarantee Amount</p> <p>(I) The total amount of endorsements/guarantees provided by the Company for others shall not exceed <u>40%</u> of the net worth of <u>the most recent financial statements</u>; the endorsement/guarantee limit for a single enterprise shall not exceed <u>20%</u> of the net worth of <u>the most recent financial statements</u>.</p> <p>(II) The total amount of endorsements/guarantees provided by the Company and its subsidiaries for others shall not exceed <u>50%</u> of the net worth of <u>the most recent financial statements</u>; the endorsement/guarantee limit for a single enterprise shall not exceed <u>20%</u> of the net worth of <u>the most recent financial statements</u>.</p> <p>(III) The single amount of endorsements/guarantees provided due to business relationship may not exceed the total amount of transactions with the company in the most recent year. <u>The amount of business transactions</u> refers to the amount of purchase or sales of goods between both parties, whichever is higher.</p>	<p>Limit on Endorsement/Guarantee Amount</p> <p>The total amount of endorsements/guarantees provided by the company for others may not exceed <u>40%</u> of the company <u>for the current period</u>, whereas the limit on the total amount of endorsements/guarantees provided by the company for a single enterprise shall not exceed <u>20%</u> of the net worth of the company <u>for the current period</u>. The total amount of endorsements/guarantees provided by the company and its subsidiaries for others may not exceed <u>50%</u> of the net worth of the company <u>for the current period</u>, whereas the limit on the total amount of endorsements/guarantees provided by the company and its subsidiaries for a single enterprise shall not exceed <u>20%</u> of the net worth of the company <u>for the current period</u>. The total amount of endorsements/guarantees provided due to business relationship may not exceed the total amount of transactions with the company in the most recent year (i.e. purchase or sales of goods between both parties, whichever is higher). <u>The net worth is as reported in the latest Financial Statement audited by the accountants.</u></p>	The words are prudently amended in line with the regulations
Article 5	<p>Level of Decision-Making and Authorization</p> <p>When the company provides endorsements/guarantees to others after Independent Directors are elected, the opinions of all Independent Directors shall be fully considered, and clear opinions</p>	<p>Level of Decision-Making and Authorization</p> <p>When the company provides endorsements/guarantees to others after Independent Directors are elected, the opinions of all Independent Directors shall be fully considered, and clear opinions</p>	The words are prudently amended in line with the regulations

Article	Revised Article	Former Article	Notes
	regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.	regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes. <u>The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u>	
Article 6	Procedures for Endorsements and Guarantees (I) When a company for which an endorsement/guarantee is provided needs to use the amount of endorsement/guarantee within the limit, this company shall provide its basic information and financial information, and fill out the application form to apply for the use of endorsement/guarantee to the Company. <u>The department in charge of the Company shall conduct detailed assessment and perform credit investigation targeting the preceding materials.</u> Items to be assessed include the necessity and reasonableness of <u>an endorsement/guarantee, the credit and risk assessment of an entity for which the endorsement/guarantee is provided,</u> the impact of an	Procedures for Endorsements and Guarantees (I) When a company for which an endorsement/guarantee is provided needs to use the amount of endorsement/guarantee within the limit, this company shall provide its basic information and financial information, and fill out the application form to apply for the use of endorsement/guarantee to the Company's <u>Finance Department. The Finance Department shall</u> conduct detailed assessment and perform credit investigation. Items to be assessed include the necessity and reasonableness of an endorsement/guarantee, <u>whether the amount of an endorsement/guarantee provided due to business relationship is consistent with the amount of business</u>	The words are prudently amended in line with the regulations

Article	Revised Article	Former Article	Notes
	<p>endorsement/guarantee on the operating risk, financial condition and shareholders' equity of the company, and whether it is necessary to obtain the relevant collateral and its valuation.</p> <p>(II) <u>Before conducting endorsements/guarantees, the Company shall prudently review whether procedures comply with provisions in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Procedures. The review results shall be submitted to the Chairman for approval together with those of the preceding review, after they are approved by the Audit Committee and the Board of Directors; During discussions at the Board meeting, and clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.</u></p> <p>(III) <u>Before a subsidiary in which the company holds, either directly or indirectly, 90% or more of the voting shares provides an endorsement/guarantee, the endorsement/guarantee shall be reported to the company's Board of Directors in line with the provisions in Paragraph 2, Article 3 for resolution before implementation. However, this restriction shall not apply to endorsements/guarantees provided between companies in which the company holds, either directly or indirectly, 100% of the voting shares.</u></p> <p>(IV) <u>The financial unit shall make the Memorandum Book, and the entity for which the endorsement/guarantee is provided, the amount, the date</u></p>	<p><u>transaction</u>, the impact of an endorsement/guarantee on the operating risk, financial condition and shareholders' equity of the company, and whether it is necessary to obtain the relevant collateral and its valuation.</p> <p>(II) <u>Personnel at the company's Finance Department shall collect and compile the relevant information and assessment results specified in the preceding paragraph. If the cumulative balance of endorsements/guarantees is yet to exceed 20% of the net worth of the company when handling an endorsement/guarantee, the endorsement/guarantee shall be handled upon approval by the Chairman, and reported to the next Board of Directors' meeting for ratification thereafter. If the cumulative balance of endorsements/guarantees has exceeded 20% of the net worth of the company, the endorsement/guarantee shall be submitted to the Board of Directors for approval, and handled according to the resolution of the Board of Directors. Before a subsidiary in which the company holds, either directly or indirectly, 90% or more of the voting shares provides an endorsement/guarantee, the endorsement/guarantee shall be reported to the company's Board of Directors in line with the provisions in Paragraph 2, Article 3 for resolution before implementation. However, this restriction shall not apply to endorsements/guarantees provided between companies in which the company holds, either directly or indirectly, 100% of</u></p>	

Article	Revised Article	Former Article	Notes
	<p>of approval by the Board of Directors or the Chairman, the date of the entity for which the endorsement/guarantee is provided, and the matters to be prudently evaluated <u>in accordance with the review process</u> shall be detailed for future reference.</p> <p>(V) <u>Internal auditors shall audit the operating procedures for loaning of funds to others and the implementation status on a quarterly basis and develop written records accordingly. If any material violation is found, the company shall immediately notify all the Independent Directors in writing.</u></p> <p>(VI) <u>Where the counterparty does not conform to relevant laws and provisions in the Operating Procedures or the balance of the fund loaned exceeds the limit due to changes in the circumstances, the Company shall establish improvement plans, send relevant improvement plans to the Audit Committee, and complete the improvements in accordance with the schedule of the plans.</u></p> <p>(VII) <u>If the entity for which the endorsement/guarantee is provided is a subsidiary with a net worth less than half of the paid-in capital, the Finance Department shall evaluate the relevant control risks and the implementation of the contingency plan in cooperation with departments concerned, and regularly deliver reports to the Audit Committee. If the share of the subsidiary has no face value or its face value is not NT\$10 per share, the amount of paid-in capital as mentioned above shall be calculated as the sum of share capital and capital reserve - issued at premium.</u></p>	<p>the voting shares.</p> <p>(III) <u>The financial unit shall fill out the "Endorsement/Guarantee Application Form/Withdrawal Form", and indicate details, including the entity for which the endorsement/guarantee is provided and the amount of endorsement/guarantee, the date of approval by the Board of Directors or the Chairman, the date of endorsement/guarantee, items to be carefully assessed according to the regulations, the content and valuation of collateral, and the conditions and date for the termination of endorsement/guarantee liabilities, recorded in detail in the "Endorsement/Guarantee Memorandum Book" for future reference.</u></p> <p>(IV) <u>When a company for which an endorsement/guarantee is provided makes repayment, this company shall check the repayment information with the company to terminate the company's guarantee liabilities. This information shall be indicated on the "List of Endorsement/Guarantee Amount".</u></p> <p>(V) <u>The Finance Department shall assess or recognize an endorsement/guarantee or the relevant loss, and appropriately disclose information regarding the endorsement/guarantee in the company's financial statements. In addition, the Finance Department shall provide the relevant information to CPAs in order to conduct the necessary verification procedures.</u></p> <p>(VI) <u>If the entity, for which an endorsement/guarantee is provided, is a subsidiary whose net worth is less than 50% of its paid-in capital, the subsequent</u></p>	

Article	Revised Article	Former Article	Notes
		<p><u>management and control measures shall be taken against the endorsement/guarantee.</u> If the share of the subsidiary has no face value or its face value is not NT\$10 per share, the amount of paid-in capital as mentioned above shall be calculated as the sum of share capital and capital reserve - issued at premium.</p>	
Article 8	<p>Notices of Endorsements and Guarantees:  If it is necessary for the amount of endorsement/guarantee provided by the company to exceed the limit set in the Operating Procedures due to business needs, and the endorsement/guarantee complies with the conditions stipulated in the Operating Procedure, the approval from the Board of Directors shall be obtained and a majority of the Directors shall act as joint guarantors for any loss that may be caused to the company due to the excess endorsement/guarantee. In addition, the Operating Procedures shall also be amended and submitted to the Shareholders' Meeting for ratification. When the endorsement/guarantee is not approved by the Shareholders' Meeting, a plan shall be adopted to eliminate the excess amount within a specified time limit.</p>	<p>Notices of Endorsements and Guarantees:</p> <p>(I) <u>Internal auditors at the company shall at least audit the operating procedures for endorsements and guarantees and its implementation every quarter, and make them into written records. Any major violation found shall be notified to all Independent Directors in writing.</u></p> <p>(II) <u>If the parties of the company's endorsements and guaranties originally meet the requirements of Article 3 of these procedures and subsequently fail to meet the requirements, or the amount of endorsements and guaranties exceeds the limit set forth in Article 4 of these measures due to the change of the basis for calculating the limit, the audit unit shall urge the financial department to ensure that the amount or the part of the endorsements and guaranties exceeding the limit shall be eliminated at the expiration of the period set forth in the contract or at a certain time limit, and the report shall be submitted to the Board of Directors and the Independent Directors in writing, so as to complete the improvement according to the schedule.</u></p> <p>(III) If it is necessary for the amount of endorsement/guarantee</p>	<p>The words are prudently amended in line with the regulations</p>

Article	Revised Article	Former Article	Notes
		<p>provided by the company to exceed the limit set in the Operating Procedures due to business needs, and the endorsement/guarantee complies with the conditions stipulated in the Operating Procedure, the approval from the Board of Directors shall be obtained and a majority of the Directors shall act as joint guarantors for any loss that may be caused to the company due to the excess endorsement/guarantee. In addition, the Operating Procedures shall also be amended and submitted to the Shareholders' Meeting for ratification. When the endorsement/guarantee is not approved by the Shareholders' Meeting, a plan shall be adopted to eliminate the excess amount within a specified time limit. <u>Where the company has elected Independent Directors, the opinions of all Independent Directors shall be fully considered during deliberation by the Board of Directors as mentioned in the preceding paragraph. Clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.</u></p>	
Article 9	<p><u>Information Disclosure</u>  (I) The Company shall <u>announce and declare</u> the balance of endorsements/guarantees by the Company and its subsidiaries prior to the 10th of each month.  (II) The Company shall <u>announce and declare</u> the information within two days after the date of occurrence of the event, when the Company's endorsements/guarantees meet one of the following criteria:  1. The aggregate balance of</p>	<p><u>Time Limit and Content of Public Announcement and Declaration.</u>  (I) The Company shall enter the balance of endorsements/guarantees by the Company and its subsidiaries for the previous month <u>into the Market Observation Post System (MOPS)</u> before the 10th day of every month.  (II) The Company shall enter the information <u>into the Market Observation Post System (MOPS)</u> within two days after</p>	<p>The words are prudently amended in line with the regulations</p>

Article	Revised Article	Former Article	Notes
	<p>endorsements/guarantees by the company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement.</p> <p>2. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches 20% or more of the public company's net worth as stated in its latest financial statement.</p> <p>3. The balance of endorsements and guarantees provided by the company and its subsidiaries to a single enterprise reaches NT\$10 million or above, and the aggregate amount of the endorsements/guarantees provided for, the book value of investments by the equity method in, and the balance of funds loaned to the enterprise reaches 30% or more of the company's net worth as stated in its latest financial statements.</p> <p>4. The amount of new endorsements/guarantees provided by the company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the company's net worth as stated in its latest financial statements.</p> <p>The term "date of occurrence" as mentioned in the preceding paragraph refers to the date of transaction, date of payment, dates of Board of Directors' resolutions, or other dates on which the counterparty and amount of endorsements/guarantees can be confirmed, whichever date is earlier.</p>	<p>the date of occurrence of the event when the Company's endorsement/guarantee meets one of the following criteria:</p> <p>1. The aggregate balance of endorsements/guarantees by <u>the Company</u> and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement.</p> <p>2. The balance of endorsements/guarantees by <u>the Company</u> and its subsidiaries for a single enterprise reaches 20% or more of the public company's net worth as stated in its latest financial statement.</p> <p>3. The balance of endorsements and guarantees provided by <u>the Company</u> and its subsidiaries to a single enterprise reaches NT\$10 million or above, and the aggregate amount of the endorsements/guarantees provided for, the book value of investments by the equity method in, and the balance of funds loaned to the enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statements.</p> <p>4. The amount of new endorsements/guarantees provided by <u>the Company</u> and its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statements.</p> <p>The term "date of occurrence" as mentioned in the preceding paragraph refers to the date of transaction, date of payment, dates of Board of Directors' resolutions, or</p>	

Article	Revised Article	Former Article	Notes
	<p>(III) If a subsidiary of the company is not a domestic public company, when the subsidiary shall <u>announce and declare</u> the matters as set out in <u>Subparagraph 4</u> in the preceding <u>paragraph</u>, the company shall do it on its behalf.</p> <p>(IV) <u>The Company shall assess or recognize an endorsement/guarantee or the relevant loss, and appropriately disclose information regarding the endorsement/guarantee in the company's financial statements. In addition, the Finance Department shall provide the relevant information to CPAs in order to conduct the necessary verification procedures.</u></p>	<p>other dates on which the counterparty and amount of endorsements/guarantees can be confirmed, whichever date is earlier.</p> <p>(III) If a subsidiary of the Company is not a domestic public company, when the subsidiary shall enter the information <u>into the Market Observation Post System (MOPS)</u> as set out in <u>point 4</u> in the preceding <u>subparagraph</u>, the Company shall do it on its behalf.</p>	
Article 10	<p>Control Procedures for Endorsements/Guarantees Provided by Subsidiaries</p> <p>(I) (I) If a subsidiary of the company proposes to provide endorsements/guarantees for others, the company shall order the subsidiary to establish the Operating Procedures for Endorsements/Guarantees in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, and conduct the endorsements/guarantees according to the operating procedures set.–</p> <p>(II) If the Company's subsidiary <u>is supposed to provide endorsements/guarantees for others, it shall fill out the Endorsement/Guarantee Application Form and detailed review procedures to explain the content, which shall be approved by its Board of Directors via resolution.</u></p> <p>(III) If a subsidiary of the Company is supposed to provide</p>	<p>Control Procedures for Endorsements/Guarantees Provided by Subsidiaries</p> <p>(I) If a subsidiary of the company <u>(where subsidiaries and parent company as mentioned in the Operating Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers)</u> proposes to provide endorsements/guarantees for others, the company shall order the subsidiary to establish the Operating Procedures for Endorsements/Guarantees in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, and conduct the endorsements/guarantees according to the operating procedures set. <u>However, net worth refers to the net worth of the parent company. If the financial statements of a public company are prepared in accordance with the</u></p>	The words are prudently amended in line with the regulations

Article	Revised Article	Former Article	Notes
	<p>endorsements/guarantees for others, it shall provide relevant information and make the Memorandum Book for the Company's review.</p>	<p><u>International Financial Reporting Standards (IFRS), the term "net worth" as mentioned in the Operating Procedures refers to the equity attributable to the owner of the parent company as specified in the balance sheet prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>(II) <u>Subsidiaries shall prepare a detailed list of endorsement/guarantee amount provided for others in the previous month before the 10th day of each month, and submit to the company for reference.</u></p> <p>(III) <u>The audit unit of the company shall list the endorsements/guarantees provided by subsidiaries as one of the monthly audit items. The implementation of this audit shall be listed as a necessary item when reporting audit operations to the Board of Directors and Supervisors.</u></p>	
Article 12	<p>Implementation and Amendment  <u>The Procedures shall be approved by the Audit Committee (The approval by more than half of all audit committee members in office shall be obtained. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting.)</u>  The Procedures, after passage by the Board of Directors, shall be submitted for approval by the shareholders' meeting for implementation; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the</p>	<p>Implementation and Amendment  Upon approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and reported to the Shareholders' Meeting for approval. If any Director has an objection, where such opinions are documented or issued through written statements, the company shall submit the objection to each supervisor and report to the Shareholders' Meeting for deliberation. The same applies to any amendment.  In addition, when the Operating Procedures are submitted to the Board of Directors for deliberation as mentioned in the preceding paragraph after Independent Directors are elected, the opinions of all Independent Directors shall be fully considered, and their objection</p>	<p>1. The words are prudently amended in line with the regulations  2. Addition of revision date</p>

Article	Revised Article	Former Article	Notes
	<p>dissenting opinion to the shareholders' meeting for discussion. The same shall apply to any amendments to the Procedures. When the Procedures are submitted for discussion by the board of directors according to the above regulations, the Company shall take into full consideration each independent director's opinions. <u>If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</u> <u>The Operating procedures were revised on November 9, 2022.</u></p>	<p>or reservation and <u>reasons for objection shall be listed in the Board meeting minutes.</u></p>	
III.	This article is deleted.	<p>Control Points</p> <ol style="list-style-type: none"> <li>1. <u>1. Do the entity for which an endorsement/guarantee is provided and the limit on the amount of endorsement/guarantee comply with company rules and regulations?</u></li> <li>2. <u>2. Has the verification of endorsement/guarantee been approved by the Board of Directors?</u></li> <li>3. <u>3. Is the verification of endorsement/guarantee handled in accordance with the Operating Procedures for Endorsements and Guarantees?</u></li> <li>4. <u>4. Is the verification of seal for endorsement/guarantee handled in accordance with the company's Operating Procedures for Endorsements and Guarantees?</u></li> <li>5. <u>5. Is the information on the Endorsement/Guarantee Application Form consistent with that on the detailed list of endorsement/guarantee amount upon examination?</u></li> <li>6. <u>6. Are matters related to public announcement and declaration handled in accordance with the relevant regulations set forth by the competent authority?</u></li> <li>7. <u>Is the control procedure for</u></li> </ol>	Control points are not stated here.

Article	Revised Article	Former Article	Notes
		<u>endorsements/guarantees provided by subsidiaries handled in accordance with the regulations of the parent company?</u>	
IV.	This article is deleted.	Attachments <del>1. Endorsement/Guarantee Application Form/Withdrawal Form</del> <del>2. Details of Endorsement/Guarantee Amount</del> <del>3. Endorsement/Guarantee Memorandum Book</del>	Attachments are not stated here.

Resolution:

## Election Items

### Proposal 1 (Proposed by the Board of Directors)

Proposal: Re-election of the Company's 11th Board of Directors is submitted for resolution.

Notes:

1. The tenure of the 10th directors of the Company expires on June 9, 2023, and the Company is supposed to request the shareholders' meeting to re-elect nine directors (three independent directors included) in accordance with the Company's Articles of Incorporation at the 2023 general shareholders' meeting.
2. The tenure of new directors (independent directors included) shall last three years from the date of election at the 2023 shareholders' meeting, and shall last from June 15, 2023 to June 14, 2026.
3. According to the Articles of Incorporation, with regard to the selection of directors ((independent directors included) of the Company, the candidate nomination system shall be adopted for the election, as set out in Article 192-1 of the Company Act, and candidates from the list of directors shall be selected in the shareholders' meeting; The Board of Directors is supposed to nominate a list of director candidates and review the qualifications of director candidates in compliance with Article 192-1 of the Company Act, the Securities and Exchange Act, and the Measures for the Establishment of Independent Directors of Public Offering Companies and Measures to Be Followed.
4. The list of candidates that the Board of Directors is supposed to nominate and relevant information are as follows:

Number	Category	Name	Main Experience	Number of Shares Held (Unit: shares)	Name of Government Represented or Juristic Person	Whether to comply with the Measures for the Establishment of Independent Directors of Public Offering Companies and Measures to Be Followed.
1	Director	Ching-Lai Lu	EMBA, National Cheng Kung University Philips Chien Yuan Electronics	3,757,283	-	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable
2	Director	Cheng-En Ou	Cheng Shiu Junior College of Technology SUMIKO ELECTRONICS TAIWAN CO., LTD.	12,000	-	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable
3	Director	Chien-Chang Chen	Sanji High School Representative of Fu-Du Building & Construction Co., Ltd.	2,732,431	-	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable

Number	Category	Name	Main Experience	Number of Shares Held (Unit: shares)	Name of Government Represented or Juristic Person	Whether to comply with the Measures for the Establishment of Independent Directors of Public Offering Companies and Measures to Be Followed.
4	Director	Yu-Ru Chong	National University of Tainan Representative of Li Chiao Investment Co., Ltd.	Li Chiao 7,364,625 Yu-Ru Chong 338,438	Li Chiao Investment Co., Ltd.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable
5	Director	Ching-Hsu Tsai	Institute of Electrical Engineering, Cheng Shiu University, Person in charge of Dingji Electromechanical Engineering Co., Ltd.	KEEN HONEST: 1,710,000 Ching-Hsu Tsai: 10,000	KEEN HONEST INVESTMENT LIMITED	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable
6	Director	Ching-Han Chiu Huang	Linyuan Junior High School Person in charge of Hanlin Construction Co., Ltd.	-	-	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable
7	Independent Director	Ming-Hsien Li	Master Degree in Accounting, National Chengchi University Vice Chairman, PwC Taiwan	-	-	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
8	Independent Director	Cho-Hua Kuang	Doctor of Mechanical Engineering Department, University of Cincinnati Honorary retired professor, Department of Mechanical Engineering, National Sun Yat-sen University	-	-	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
9	Independent Director	Huan-Ming Chou	PhD in Mechanical Engineering, National Cheng Kung University Vice-Chancellor, Kun Shan University	-	-	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable

Election results:

## Other Matters

### Proposal 1 (Proposed by the Board of Directors)

Proposal: The proposal to request the 2023 general shareholders' meeting to remove restrictions on non-competition for the Company's Directors and their representatives as provided in Article 209 of the Company Act is submitted for approval.

#### Notes

1. In accordance with Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall obtain approval from the shareholders' meeting.
2. If the directors of the company are subject to the prohibition of directors' non-competition under Article 209 of the Company Act, in order to assist the company to develop its business smoothly, it is proposed to propose to the shareholders' regular meeting to agree to remove the newly appointed directors and their representatives from the restriction of non-competition as mentioned in the Company Act without prejudice to the interests of the company.
3. The list of candidates and relevant information are as follows:

Number	Category	Name	Positions Currently Held in Other Companies	Whether to have a conflict of interest between the candidates' current post and the shareholders of the Company
1	Director	Ching-Lai Lu	Person in charge of Uniring Tech Co., Ltd. Person in charge of Kunshan All Ring Tech Co., Ltd. Person in charge of All Ring Technology Precision Machinery (Kunshan) Co., Ltd.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2	Director	Cheng-En Ou	-	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3	Director	Chien-Chang Chen	Director of Fu-Du Building & Construction Co., Ltd. General Manager of Fu-Du Building & Construction Co., Ltd.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Director	Li Chiao Investment Co., Ltd.	-	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		Representative: Yu-Ru Chong	Representative of Li Chiao Investment Co., Ltd.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5	Director	KEEN HONEST INVESTMENT LIMITED	-	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		Representative: Ching-Hsu Tsai	Person in charge of Keen Honest Investment Limited Person in charge of Dingji Electromechanical Engineering Co., Ltd.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6	Director	Ching-Han Chiu Huang	Person in charge of Hanlin Construction	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Number	Category	Name	Positions Currently Held in Other Companies	Whether to have a conflict of interest between the candidates' current post and the shareholders of the Company
7	Independent Director	Ming-Hsien Li	Vice Chairman, Zhi Cheng CPAs Adjunct associate professor, National Cheng Kung University Independent Director of ScinoPharm Taiwan, Ltd. Independent Director of Brogent Technologies Inc. Independent Director of Pantex International Ltd.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8	Independent Director	Cho-Hua Kuang	Honorary retired professor, Department of Mechanical Engineering, National Sun Yat-sen University Adjunct professor, Department of Mechanical Engineering, National Sun Yat-sen University	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9	Independent Director	Huan-Ming Chou	Vice-Chancellor, Kun Shan University Professor from Department of Mechanical Engineering, Dean of College of Engineering, Kun Shan University	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Resolution:**

## **Extraordinary Motions**

## **Meeting Adjournment**

# Attachments

All Ring Tech Co., Ltd.

Attachment I

## Business Report

### I. Operating Principle

Customer service and satisfaction are at the core of our principles. Integrating corporate resources into developing R&D and marketing, the Company continues to root in the making of semiconductors, passive components, and LED industry equipments. Meanwhile, the Company will make full use of external resources to expand the scale of operations, and introduce high-level talents to actively innovate in R&D in order to create higher shareholder value.

### II. Execution Overview

In addition to maintaining current customers, our future operating key strategy will strive to seek new customers. Other key strategies include focusing on research and development, improving customers' satisfaction, keeping the leading position in the industrial equipment market, and achieve better operating performance.

### III. Business Performance:

The net operating income of the company in 2022 is NT\$2,248,713 thousand, a decrease of 13.65% compared with NT\$2,604,316 thousand in 2021; the net profit in this period is NT\$499,039 thousand, a decrease of 7.79% compared with NT\$541,223 thousand in 2021.

### IV. Budget Execution

The Company's financial forecast for 2022 is not disclosed, so it is not applicable.

### V. Profitability Analysis

In the second half of the year, due to the decrease in demand for consumer electronics, the inventory level of the Company's customers lifted, and capital expenditure plans such as expanding factories and adding production lines were also postponed, resulting in a decline in the Company's consolidated revenue compared to 2021. However, thanks to the adjustment of product portfolio sales, the Company's gross profit margin ultimately increased slightly by 1% compared to 2021. The operating expenses made R&D expenses increase compared to 2021 due to the continuous recruitment of more R&D personnel and investment in R&D resources, which affected the operating profits and net profit for the current period. However, with the injection of dividends and exchange rates from external investments, the Company's net profit only slightly decreased by 7.79% compared to 2021.

## **VI. Research Development Status**

The company has been cultivating in the semiconductor, passive components and LED devices industries for many years. Being the best supplier for customers, it has continued to develop new equipment and improve the efficiency of existing equipment in order to keep in line with manufacturing processes. Recently, the company has also begun to focus on its core capabilities of developing visionary and innovative application technology, with a view to achieving a leading position in the industry and creating the greatest benefits for shareholders.

Chairman of the Board:  
Ching-Lai Lu

Manager:  
Hsin-Yao Cheng

Accounting Supervisor:  
Hsiao-Mei Wang

## Details of Remuneration of Individual Directors for 2022

Unit: Thousand shares/NT\$ thousand; December 31, 2021

Title	Name	Director Remuneration								Percentage of the total sums of A, B, C and D to net income after tax (Note 11)		Remuneration Paid to Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) to Net Income After Tax Ratio (%) (Note 10)		Reinvestment remuneration received from companies other than subsidiaries (Note 11)
		Compensations (A) (Note 2)		Severance Pay and Pension (B)		Director Compensation (C) (Note 3)		Expenses from Professional Practice (D) (Note 4)				Salaries, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pension (F)		Employee Remuneration (G) (Note 6)						
		The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company		All companies included into the financial statement (Note 7)		The Company	All companies included into the financial statement (Note 7)	
															Cash Amount	Stock Amount	Cash Amount	Stock Amount				
Chairman of the Board	Ching-Lai Lu	-	-	-	-	2,492	2,492	56	56	2,548 0.51%	2,548 0.51%	2,409	2,409	-	-	-	-	-	-	4,957 0.99%	4,957 0.99%	None
Director	Hsin-Yao Cheng	-	-	-	-	1,663	1,663	56	56	1,719 0.34%	1,719 0.34%	4,343	4,343	-	-	480	-	480	-	6,542 1.31%	6,542 1.31%	None
Director	Li Chiao Investment Co., Ltd.	-	-	-	-	832	832	-	-	832 0.17%	832 0.17%	-	-	-	-	-	-	-	-	832 0.17%	832 0.17%	None
Representative Director	Yu-Ru Chong (Note 1)	-	-	-	-	-	-	56	56	56 0.01%	56 0.01%	-	-	-	-	-	-	-	-	56 0.01%	56 0.01%	None
Director	Chien-Chang Chen	-	-	-	-	832	832	48	48	880 0.18%	880 0.18%	-	-	-	-	-	-	-	-	880 0.18%	880 0.18%	None
Director	Hanlin Construction Co., Ltd.	-	-	-	-	832	832	-	-	832 0.17%	832 0.17%	-	-	-	-	-	-	-	-	832 0.17%	832 0.17%	None
Representative Director	Ching-Han Chiu Huang (Note 2)	-	-	-	-	-	-	48	48	48 0.01%	48 0.01%	-	-	-	-	-	-	-	-	48 0.01%	48 0.01%	None
Director	Keen Honest Investment Limited	-	-	-	-	832	832	-	-	832 0.17%	832 0.17%	-	-	-	-	-	-	-	-	832 0.17%	832 0.17%	None
Representative Director	Ching-Hsu Tsai (Note 3)	-	-	-	-	-	-	56	56	56 0.01%	56 0.01%	-	-	-	-	-	-	-	-	56 0.01%	56 0.01%	None
Independent Director	Ming-Hsien Li (Note 4)	450	450	-	-	-	-	56	56	506 0.10%	506 0.10%	-	-	-	-	-	-	-	-	506 0.10%	506 0.10%	None
Independent Director	Cho-Hua Kuang (Note 4)	450	450	-	-	-	-	48	48	498 0.10%	498 0.10%	-	-	-	-	-	-	-	-	498 0.10%	498 0.10%	None
Independent Director	Chang-Jen Chen (Note 4)	450	450	-	-	-	-	48	48	498 0.10%	498 0.10%	-	-	-	-	-	-	-	-	498 0.10%	498 0.10%	None

(Note 1): Ms. Yu-Ru Chong is the corporate representative of the Company's corporate director Li Chiao Investment Co., Ltd.

(Note 2): Mr. Ching-Han Chiu Huang is the representative of the company's institutional Director, Hanlin Construction Co., Ltd.

(Note 3): Mr. Ching-Hsu Tsai is the representative of the company's institutional Director, Hanlin Construction Co., Ltd.

(Note 4): Please refer to the annual report of the Shareholder's Meeting regarding remuneration policies, systems, standards, and structures for Independent Directors and linkage thereof to powers, risks, and time spent.

**Table of Remuneration Ranges**

Range of Remuneration Paid to the Directors of the Company	Names of Directors			
	Total of the first four items (A+B+C+D)		Total of the first seven items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included into the financial statement (Note 9) I	The Company (Note 8)	All companies included into the financial statement (Note 9) J
Less than NT\$1,000,000	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Hsin-Yao Cheng	Hsin-Yao Cheng	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Ching-Lai Lu	Ching-Lai Lu	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	Ching-Lai Lu	Ching-Lai Lu
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-	Hsin-Yao Cheng	Hsin-Yao Cheng -
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Grand Total	9	9	9	9

(Note 1): The names of Directors shall be listed separately (for corporate shareholders, the names of corporate shareholders and representatives shall be listed separately); the names of Directors and Independent Directors shall be listed separately, and the payments shall be disclosed collectively.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

**Opinion**

We have audited the accompanying parent company only balance sheets of All Ring Tech Co., Ltd. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for opinion**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

## **Revenue recognition**

### Description

Refer to Note 4(28) for accounting policies on revenue recognition.

The sales revenue of the Company is primarily from the assembly and sales of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the control of the goods sold is transferred to the customer after the installation of the goods or the acceptance of the goods by the customer, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. As the transfer of control of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material. Thus, we considered the cutoff of revenue a key audit matter.

### How our audit addressed the matter

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

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the control of the goods for which revenue has been recognised was transferred, and whether revenue was recorded in the appropriate period.

## **Evaluation of inventories**

### Description

Refer to Note 4(8) to the parent company only financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(5) for information on allowance for inventory valuation losses. As of December 31, 2022, inventory and allowance for inventory valuation losses were NT\$690,797 thousand and NT\$68,605 thousand, respectively.

The Company develops, manufactures, and assembles production equipment for semiconductors and

passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is over a certain age or individually identified as obsolete is determined based on the historical information on inventory obtained by management from periodic inspections.

The technology related to the Company's products is rapidly changing, and the determination of the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we considered the evaluation of inventories a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Ensured consistent application and assessed the reasonableness of the Company's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditors' understanding of the nature of the Company's industry. This included assessing the reasonableness of the source of the historical information on inventory used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory aging report, selected samples from inventory items by each sequence number to verify its net realizable value and to verify the reasonableness of the allowance for inventory valuation losses.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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.

Lin Yung-Chih

Independent Accountants

Lin Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

February 22, 2023

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

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

ALL RING TECH CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,287,332	31	\$ 556,487	16
1136	Financial assets at amortised cost	6(3)				
	- current		13,000	1	-	-
1150	Notes receivable, net	6(4)	41,601	1	177,571	5
1170	Accounts receivable, net	6(4), 7 and 12	531,654	13	713,359	20
1200	Other receivables		1,023	-	7,538	-
130X	Inventories	5(2) and 6(5)	622,192	15	668,668	19
1410	Prepayments		2,664	-	12,678	-
11XX	<b>Total current assets</b>		<u>2,499,466</u>	<u>61</u>	<u>2,136,301</u>	<u>60</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)(14)	180	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	349,116	8	490,573	14
1535	Financial assets at amortised cost - non-current	6(3) and 8	2,403	-	15,403	1
1550	Investments accounted for under equity method	6(7) and 7	441,539	11	410,261	12
1600	Property, plant and equipment	6(8) and 8	704,339	17	393,652	11
1755	Right-of-use assets	6(9)	34,122	1	32,816	1
1780	Intangible assets	6(10)	27,604	1	3,931	-
1840	Deferred income tax assets	6(26)	35,329	1	36,884	1
1915	Prepayments for business facilities	6(8)(10)	-	-	10,881	-
1920	Guarantee deposits paid		14,126	-	4,645	-
1960	Prepayments for investments - non-current	6(6)	20,000	-	-	-
1990	Other non-current assets		1,177	-	1,337	-
15XX	<b>Total non-current assets</b>		<u>1,629,935</u>	<u>39</u>	<u>1,400,383</u>	<u>40</u>
1XXX	<b>Total assets</b>		<u>\$ 4,129,401</u>	<u>100</u>	<u>\$ 3,536,684</u>	<u>100</u>

(Continued)

ALL RING TECH CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11) and 8	\$ -	-	\$ 80,000	2
2130	Current contract liabilities	6(19)	47,575	1	26,164	1
2150	Notes payable		963	-	8,646	-
2170	Accounts payable	7	347,694	9	685,019	20
2200	Other payables	6(12)	253,728	6	249,413	7
2230	Current income tax liabilities	6(26)	36,458	1	75,227	2
2250	Provisions for liabilities - current	6(13)	16,541	1	23,101	1
2280	Lease liabilities - current		10,101	-	4,965	-
2310	Advance receipts		14,722	-	-	-
21XX	<b>Total current liabilities</b>		<u>727,782</u>	<u>18</u>	<u>1,152,535</u>	<u>33</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(14)	874,714	21	-	-
2570	Deferred income tax liabilities	6(26)	42,865	1	25,707	-
2580	Lease liabilities - non-current		24,606	-	28,385	1
2640	Net defined benefit liabilities - non-current	6(15)	26,343	1	27,757	1
2645	Guarantee deposits received		1,213	-	-	-
25XX	<b>Total non-current liabilities</b>		<u>969,741</u>	<u>23</u>	<u>81,849</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>1,697,523</u>	<u>41</u>	<u>1,234,384</u>	<u>35</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(16)	833,239	20	833,239	23
3200	Capital surplus	6(14)(17)	466,556	11	310,911	9
	Retained earnings	6(6)(18)				
3310	Legal reserve		335,430	8	281,334	8
3320	Special reserve		22,672	1	22,737	1
3350	Unappropriated retained earnings		822,167	20	682,546	19
3400	Other equity interest	6(6)(7)	86,164	2	237,982	7
3500	Treasury stocks	6(16)	( 134,350)	( 3)	( 66,449)	( 2)
3XXX	<b>Total equity</b>		<u>2,431,878</u>	<u>59</u>	<u>2,302,300</u>	<u>65</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 4,129,401</u>	<u>100</u>	<u>\$ 3,536,684</u>	<u>100</u>

ALL RING TECH CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

				For the years ended December 31,				
				2022		2021		
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$	2,169,547	100	\$	2,464,209	100
5000	Operating costs	6(5)(9)(10)(15)(24) (25) and 7		(1,163,432)	( 54)	(1,311,271)	( 54)	
5900	Net operating margin			1,006,115	46	1,152,938	46	
	Operating expenses	6(9)(10)(15)(24) (25), 7 and 12						
6100	Selling expenses			( 54,129)	( 2)	( 69,125)	( 3)	
6200	General and administrative expenses			( 113,470)	( 5)	( 117,620)	( 5)	
6300	Research and development expenses			( 371,426)	( 17)	( 326,576)	( 13)	
6450	Expected credit losses			( 13,828)	( 1)	( 6,740)	-	
6000	Total operating expenses			( 552,853)	( 25)	( 520,061)	( 21)	
6900	Operating profit			453,262	21	632,877	25	
	Non-operating income and expenses							
7100	Interest income	6(20)		7,050	-	789	-	
7010	Other income	6(6)(21) and 7		46,858	2	21,846	1	
7020	Other gains and losses	6(2)(9)(22) and 12		84,289	4	( 13,171)	-	
7050	Finance costs	6(9)(14)(23)		( 10,727)	-	( 427)	-	
7070	Share of profit of subsidiaries associates and joint ventures accounted for under equity method, net	6(7)		17,549	1	7,971	-	
7000	Total non-operating income and expenses			145,019	7	17,008	1	
7900	<b>Profit before income tax</b>			598,281	28	649,885	26	
7950	Income tax expense	6(26)		( 99,242)	( 5)	( 108,662)	( 4)	
8200	<b>Profit for the year</b>		\$	499,039	23	541,223	22	
	<b>Other comprehensive income (loss)</b>							
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>							
8311	Remeasurement of defined benefit obligations	6(15)	\$	2,021	-	( 330)	-	
8316	Unrealised (loss) gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)		( 106,008)	( 5)	106,872	4	
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(26)		( 404)	-	66	-	
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>							
8361	Financial statements translation differences of foreign operations	6(7)		13,729	1	( 4,908)	-	
8300	<b>Total other comprehensive (loss) income for the year</b>		(\$)	90,662	( 4)	101,700	4	
8500	<b>Total comprehensive income for the year</b>		\$	408,377	19	642,923	26	
	Earnings per share (in dollars)	6(27)						
9750	Basic		\$	6.15		6.64		
9850	Diluted		\$	5.86		6.61		

ALL RING TECH CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	Capital Surplus				Retained Earnings			Other Equity Interest				
	Notes	Share capital - common stock	Additional paid-in capital	Treasury share transactions	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Treasury stocks	Total
<u>For the year ended December 31, 2021</u>												
Balance at January 1, 2021		\$ 833,239	\$ 327,094	\$ -	\$ 108	\$ 256,539	\$ 22,737	\$ 394,453	(\$ 32,224)	\$ 168,242	(\$ 66,449)	\$ 1,903,739
Net income for the year ended December 31, 2021		-	-	-	-	-	-	541,223	-	-	-	541,223
Other comprehensive income (loss) 6(6)(7) for the year ended December 31, 2021		-	-	-	-	-	( 264 )	( 4,908 )	106,872	-	-	101,700
Total comprehensive income (loss) for the year ended December 31, 2021		-	-	-	-	-	540,959	( 4,908 )	106,872	-	-	642,923
Distribution of 2020 net income:												
Legal reserve		-	-	-	-	24,795	( 24,795 )	-	-	-	-	-
Cash dividends 6(18)		-	-	-	-	-	( 228,071 )	-	-	-	-	( 228,071 )
Distribution of cash dividends from 6(17) the capital surplus		-	( 16,291 )	-	-	-	-	-	-	-	-	( 16,291 )
Balance at December 31, 2021		<u>\$ 833,239</u>	<u>\$ 310,803</u>	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 281,334</u>	<u>\$ 22,737</u>	<u>\$ 682,546</u>	<u>(\$ 37,132)</u>	<u>\$ 275,114</u>	<u>(\$ 66,449)</u>	<u>\$ 2,302,300</u>
<u>For the year ended December 31, 2022</u>												
Balance at January 1, 2022		\$ 833,239	\$ 310,803	\$ -	\$ 108	\$ 281,334	\$ 22,737	\$ 682,546	(\$ 37,132)	\$ 275,114	(\$ 66,449)	\$ 2,302,300
Net income for the year ended December 31, 2022		-	-	-	-	-	-	499,039	-	-	-	499,039
Other comprehensive income (loss) 6(6)(7) for the year ended December 31, 2022		-	-	-	-	-	1,617	13,729	( 106,008 )	-	-	( 90,662 )
Total comprehensive income (loss) for the year ended December 31, 2022		-	-	-	-	-	500,656	13,729	( 106,008 )	-	-	408,377
Distribution of 2021 net income:												
Legal reserve		-	-	-	-	54,096	( 54,096 )	-	-	-	-	-
Cash dividends 6(18)		-	-	-	-	-	( 366,543 )	-	-	-	-	( 366,543 )
Reversal of special reserve		-	-	-	-	( 65 )	65	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income 6(6)		-	-	-	-	-	-	59,539	-	( 59,539 )	-	-
Conversion options of convertible bonds 6(14)		-	-	-	162,300	-	-	-	-	-	-	162,300
Repurchase of convertible bonds 6(14)		-	-	9,798	( 16,453 )	-	-	-	-	-	-	( 6,655 )
Treasury stocks acquired 6(16)		-	-	-	-	-	-	-	-	-	( 67,901 )	( 67,901 )
Balance at December 31, 2022		<u>\$ 833,239</u>	<u>\$ 310,803</u>	<u>\$ 9,798</u>	<u>\$ 145,955</u>	<u>\$ 335,430</u>	<u>\$ 22,672</u>	<u>\$ 822,167</u>	<u>(\$ 23,403)</u>	<u>\$ 109,567</u>	<u>(\$ 134,350)</u>	<u>\$ 2,431,878</u>

ALL RING TECH CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 598,281	\$ 649,885
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss	6(2)(22)	2,520	-
Expected credit losses	12	13,828	6,740
Provision (reversal of allowance) for inventory market price decline	6(5)	12,824	( 3,857 )
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	( 17,549 )	( 7,971 )
Depreciation	6(8)(9)(24)	27,839	21,823
Amortisation	6(10)(24)	5,109	2,418
Gain from lease modification	6(9)(22)	( 11 )	-
Gain from repurchase of convertible bonds	6(14)(22)	( 4,344 )	-
Interest income	6(20)	( 7,050 )	( 789 )
Dividend income	6(6)(21)	( 32,177 )	( 11,627 )
Interest expense	6(23)	10,727	427
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		135,970	( 106,741 )
Accounts receivable		167,877	( 374,487 )
Other receivables		6,515	( 1,315 )
Inventories		33,652	( 354,880 )
Prepayments		10,014	( 2,279 )
Changes in operating liabilities			
Contract liabilities - current		21,411	3,275
Notes payable		( 83 )	255
Accounts payable		( 337,325 )	257,581
Other payables		6,555	85,425
Provisions for liabilities - current		( 6,560 )	7,023
Advance receipts		14,722	-
Net defined benefit liabilities - non-current		607	551
Cash inflow generated from operations		663,352	171,457
Dividends received		32,177	11,627
Interest received		7,050	789
Interest paid		( 665 )	( 427 )
Income tax received		-	10,050
Income tax paid		( 119,702 )	( 49,183 )
Net cash flows from operating activities		<u>582,212</u>	<u>144,313</u>

(Continued)

ALL RING TECH CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		( \$ 235,744 )	( \$ 118,346 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	271,193	-
Acquisition of investment accounted for under equity method - subsidiary	6(7)	-	( 30,000 )
Cash paid for acquisition of property, plant and equipment	6(28)	( 297,835 )	( 42,259 )
Acquisition of intangible assets		( 7,510 )	( 3,589 )
Cash paid for increasing in prepayments for equipment	6(28)	( 51,248 )	( 1,424 )
(Increase) decrease in guarantee deposits paid		( 9,481 )	184
Increase in prepayments for investments	6(6)	( 20,000 )	-
Decrease in other non-current assets		160	160
Net cash flows used in investing activities		( 350,465 )	( 195,274 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(29)	( 80,000 )	-
Increase in short-term borrowings	6(29)	-	80,000
Repayment of lease principal	6(29)	( 9,612 )	( 4,911 )
Net amount of issuance of convertible bonds	6(29)	1,122,743	-
Repurchase of convertible bonds	6(14)(29)	( 100,802 )	-
Increase in guarantee deposit received	6(29)	1,213	-
Distribution of cash dividends from capital reserve	6(17)	-	( 16,291 )
Cash dividends paid	6(18)	( 366,543 )	( 228,071 )
Acquisition of treasury stocks	6(16)	( 67,901 )	-
Net cash flows from (used in) financing activities		499,098	( 169,273 )
Net increase (decrease) in cash and cash equivalents		730,845	( 220,234 )
Cash and cash equivalents at beginning of year	6(1)	556,487	776,721
Cash and cash equivalents at end of year	6(1)	\$ 1,287,332	\$ 556,487

**All Ring Tech Co., Ltd.**

**Declaration of Consolidated Financial Statements of Affiliated Enterprises**

For the year ended December 31, 2022, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements under International Financial Reporting Standards 10. And if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

All Ring Tech Co., Ltd.

February 22, 2023

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of All Ring Tech Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

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

### **Key audit matters**

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

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

## **Revenue recognition**

### Description

Refer to Note 4(28) for accounting policies on revenue recognition.

The sales revenue of the Group is primarily from the assembly and sale of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the control of the goods sold is transferred to the customer after the installation of the goods or the acceptance of the goods by the customer, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. As the transfer of control of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material. Thus, we considered the cutoff of revenue a key audit matter.

### How our audit addressed the matter

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

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the control of the goods for which revenue has been recognised was transferred, and whether the revenue was recorded in the appropriate period.

## **Evaluation of inventories**

### Description

Refer to Note 4(10) to the consolidated financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(5) for information on allowance for inventory valuation losses. As of December 31, 2022, inventory and allowance for inventory valuation losses were NT\$807,757

thousand and NT\$97,219 thousand, respectively.

The Group develops, manufactures, and assembles production equipment for semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is over a certain age or individually identified as obsolete is determined based on the historical information on inventory obtained by management from periodic inspections.

The technology related to the Group's products is rapidly changing, and the determination of the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we considered the evaluation of inventories a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Ensured consistent application and assessed the reasonableness of the Group's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditors' understanding of the nature of the Group's industry. This included assessing the reasonableness of the source of the historical information on inventory used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory aging report, selected samples from inventory items by each sequence number to verify its net realizable value and to verify the reasonableness of the allowance for inventory valuation losses.

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

We have audited and expressed an unqualified opinion on the parent company only financial statements of All Ring Tech Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

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

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

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

## **Auditors' responsibilities for the audit of the consolidated financial statements**

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

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

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

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

Lin Yung-Chih

Independent Accountants

Lin Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

February 22, 2023

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

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

**ALL RING TECH CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,394,524	34	\$ 637,280	18
1136	Financial assets at amortised cost-current	6(3)	42,916	1	29,043	1
1150	Notes receivable, net	6(4)	45,278	1	178,797	5
1170	Accounts receivable, net	6(4) and 12	599,657	14	815,925	23
1200	Other receivables		1,556	-	7,998	-
130X	Inventories	5(2), 6(5)(7)	710,538	17	722,101	20
1410	Prepayments		7,248	-	16,289	-
11XX	<b>Total current assets</b>		<u>2,801,717</u>	<u>67</u>	<u>2,407,433</u>	<u>67</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)(12)	180	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	349,116	8	490,573	14
1535	Financial assets at amortised cost - non-current	6(3) and 8	2,403	-	15,403	1
1600	Property, plant and equipment	6(7) and 8	829,440	20	523,982	15
1755	Right-of-use assets	6(8)	63,302	2	62,703	2
1780	Intangible assets	6(9)	28,162	1	5,034	-
1840	Deferred income tax assets	6(25)	41,713	1	46,934	1
1915	Prepayments for business facilities	6(7)(9)	-	-	10,881	-
1920	Guarantee deposits paid		14,173	-	4,650	-
1960	Prepayments for investments - non-current	6(6)	20,000	1	-	-
1990	Other non-current assets		14,529	-	10,765	-
15XX	<b>Total non-current assets</b>		<u>1,363,018</u>	<u>33</u>	<u>1,170,925</u>	<u>33</u>
1XXX	<b>Total assets</b>		<u>\$ 4,164,735</u>	<u>100</u>	<u>\$ 3,578,358</u>	<u>100</u>

(Continued)

**ALL RING TECH CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10) and 8	\$ -	-	\$ 80,000	2
2130	Current contract liabilities	6(18)	49,499	1	27,263	1
2150	Notes payable		963	-	8,646	-
2170	Accounts payable	7	357,618	9	704,082	20
2200	Other payables	6(11)	274,633	7	268,513	7
2230	Current income tax liabilities	6(25)	36,458	1	75,227	2
2250	Provisions for liabilities - current	6(12)	16,541	-	23,101	1
2280	Lease liabilities - current		10,101	-	4,965	-
2310	Advance receipts		14,723	-	-	-
21XX	<b>Total current liabilities</b>		<u>760,536</u>	<u>18</u>	<u>1,191,797</u>	<u>33</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(13)	874,714	21	-	-
2570	Deferred income tax liabilities	6(25)	42,865	1	25,707	1
2580	Lease liabilities - non-current		24,606	1	28,385	1
2640	Net defined benefit liabilities - non-current	6(14)	26,343	1	27,757	1
2645	Guarantee deposits received		3,793	-	2,412	-
25XX	<b>Total non-current liabilities</b>		<u>972,321</u>	<u>24</u>	<u>84,261</u>	<u>3</u>
2XXX	<b>Total liabilities</b>		<u>1,732,857</u>	<u>42</u>	<u>1,276,058</u>	<u>36</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(15)	833,239	20	833,239	23
3200	Capital surplus	6(13)(16)	466,556	10	310,911	9
Retained earnings						
3310	Legal reserve	6(6)(17)	335,430	8	281,334	8
3320	Special reserve		22,672	1	22,737	-
3350	Unappropriated retained earnings		822,167	20	682,546	19
3400	Other equity interest	6(6)	86,164	2	237,982	7
3500	Treasury stocks	6(15)	(134,350)	(3)	(66,449)	(2)
3XXX	<b>Total equity</b>		<u>2,431,878</u>	<u>58</u>	<u>2,302,300</u>	<u>64</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 4,164,735</u>	<u>100</u>	<u>\$ 3,578,358</u>	<u>100</u>

**ALL RING TECH CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		For the years ended December 31,					
		2022		2021			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000	Operating revenue	\$ 2,248,713	100	\$ 2,604,316	100		
5000	Operating costs	( 1,171,181)	( 52)	( 1,387,133)	( 53)		
5900	Net operating margin	1,077,532	48	1,217,183	47		
	Operating expenses						
6100	Selling expenses	( 73,135)	( 3)	( 88,227)	( 4)		
6200	General and administrative expenses	( 139,943)	( 6)	( 143,079)	( 6)		
6300	Research and development expenses	( 385,510)	( 17)	( 343,764)	( 13)		
6450	Expected credit losses	( 14,048)	( 1)	( 6,335)	-		
6000	Total operating expenses	( 612,636)	( 27)	( 581,405)	( 23)		
6900	Operating profit	464,896	21	635,778	24		
	Non-operating income and expenses						
7100	Interest income	7,923	-	1,422	-		
7010	Other income	64,829	3	29,734	1		
7020	Other gains and losses	75,113	3	( 18,146)	-		
7050	Finance costs	( 10,740)	-	( 449)	-		
7000	Total non-operating revenue and expenses	137,125	6	12,561	1		
7900	<b>Profit before income tax</b>	602,021	27	648,339	25		
7950	Income tax expense	( 102,982)	( 5)	( 107,116)	( 4)		
8200	<b>Profit for the year</b>	\$ 499,039	22	\$ 541,223	21		
	<b>Other comprehensive income (loss)</b>						
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>						
8311	Remeasurement of defined benefit obligations	\$ 2,021	-	( \$ 330)	-		
8316	Unrealised (loss) gain on valuation of financial assets at fair value through other comprehensive income	( 106,008)	( 5)	106,872	4		
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	( 404)	-	66	-		
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	13,729	1	( 4,908)	-		
8300	<b>Total other comprehensive (loss) income for the year</b>	( \$ 90,662)	( 4)	\$ 101,700	4		
8500	<b>Total comprehensive income for the year</b>	\$ 408,377	18	\$ 642,923	25		
	Profit attributable to:						
8610	Owners of the parent	\$ 499,039	22	\$ 541,223	21		
	Comprehensive income attributable to:						
8710	Owners of the parent	\$ 408,377	18	\$ 642,923	25		
	Earnings per share (in dollars)						
9750	Basic	\$ 6.15		\$ 6.64			
9850	Diluted	\$ 5.86		\$ 6.61			

ALL RING TECH CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Surplus			Retained Earnings			Other Equity Interest			Treasury stocks	Total equity
		Share capital - common stock	Additional paid-in capital	Treasury share transactions	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income		
<u>For the year ended December 31, 2021</u>												
Balance at January 1, 2021		\$ 833,239	\$ 327,094	\$ -	\$ 108	\$ 256,539	\$ 22,737	\$ 394,453	(\$ 32,224 )	\$ 168,242	(\$ 66,449 )	\$ 1,903,739
Net income for the year ended December 31, 2021		-	-	-	-	-	-	541,223	-	-	-	541,223
Other comprehensive income (loss) for the year ended December 31, 2021	6(6)	-	-	-	-	-	-	( 264 )	( 4,908 )	106,872	-	101,700
Total comprehensive income (loss) for the year ended December 31, 2021		-	-	-	-	-	-	540,959	( 4,908 )	106,872	-	642,923
Distribution of 2020 net income:												
Legal reserve		-	-	-	-	24,795	-	( 24,795 )	-	-	-	-
Cash dividends	6(17)	-	-	-	-	-	-	( 228,071 )	-	-	-	( 228,071 )
Distribution of cash dividends from the capital surplus	6(16)	-	( 16,291 )	-	-	-	-	-	-	-	-	( 16,291 )
Balance at December 31, 2021		<u>\$ 833,239</u>	<u>\$ 310,803</u>	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 281,334</u>	<u>\$ 22,737</u>	<u>\$ 682,546</u>	<u>(\$ 37,132 )</u>	<u>\$ 275,114</u>	<u>(\$ 66,449 )</u>	<u>\$ 2,302,300</u>
<u>For the year ended December 31, 2022</u>												
Balance at January 1, 2022		\$ 833,239	\$ 310,803	\$ -	\$ 108	\$ 281,334	\$ 22,737	\$ 682,546	(\$ 37,132 )	\$ 275,114	(\$ 66,449 )	\$ 2,302,300
Net income for the year ended December 31, 2022		-	-	-	-	-	-	499,039	-	-	-	499,039
Other comprehensive income (loss) for the year ended December 31, 2022	6(6)	-	-	-	-	-	-	1,617	13,729	( 106,008 )	-	( 90,662 )
Total comprehensive income (loss) for the year ended December 31, 2022		-	-	-	-	-	-	500,656	13,729	( 106,008 )	-	408,377
Distribution of 2021 net income:												
Legal reserve		-	-	-	-	54,096	-	( 54,096 )	-	-	-	-
Cash dividends	6(17)	-	-	-	-	-	-	( 366,543 )	-	-	-	( 366,543 )
Reversal of special reserve		-	-	-	-	-	( 65 )	65	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income	6(6)	-	-	-	-	-	-	59,539	-	( 59,539 )	-	-
Conversion options of convertible bonds	6(13)	-	-	-	162,300	-	-	-	-	-	-	162,300
Repurchase of convertible bonds	6(13)	-	-	9,798	( 16,453 )	-	-	-	-	-	-	( 6,655 )
Treasury stocks acquired	6(15)	-	-	-	-	-	-	-	-	-	( 67,901 )	( 67,901 )
Balance at December 31, 2022		<u>\$ 833,239</u>	<u>\$ 310,803</u>	<u>\$ 9,798</u>	<u>\$ 145,955</u>	<u>\$ 335,430</u>	<u>\$ 22,672</u>	<u>\$ 822,167</u>	<u>(\$ 23,403 )</u>	<u>\$ 109,567</u>	<u>(\$ 134,350 )</u>	<u>\$ 2,431,878</u>

ALL RING TECH CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 602,021	\$ 648,339
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss	6(2)(21)	2,520	-
Expected credit losses	12	14,048	6,335
Provision for inventory market price decline	6(5)	15,339	5,442
Depreciation	6(7)(8)	43,533	35,922
Loss (gain) on disposal of property, plant and equipment	6(21)	( 617 )	390
Amortisation	6(9)(23)	5,670	3,080
Gain from lease modifications	6(8)(21)	( 11 )	-
Gain from repurchase of convertible bonds	6(13)(21)	( 4,344 )	-
Interest income	6(19)	( 7,923 )	( 1,422 )
Dividend income	6(6)(20)	( 32,177 )	( 11,627 )
Interest expense	6(22)	10,740	449
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		133,519	( 102,348 )
Accounts receivable		202,209	( 392,663 )
Other receivables		6,442	( 909 )
Inventories		( 10,161 )	( 361,940 )
Prepayments		9,041	( 4,314 )
Changes in operating liabilities			
Current contract liabilities		22,236	849
Notes payable		( 83 )	255
Accounts payable		( 346,464 )	255,301
Other payables		8,361	90,034
Provisions for liabilities - current		( 6,560 )	7,023
Advance receipts		14,723	-
Net defined benefit liabilities - non-current		607	551
Cash inflow generated from operations		682,669	178,747
Dividends received		32,177	11,627
Interest received		7,923	1,422
Interest paid		( 679 )	( 449 )
Income tax received		-	10,050
Income tax paid		( 119,702 )	( 49,183 )
Net cash flows from operating activities		<u>602,388</u>	<u>152,214</u>

(Continued)

ALL RING TECH CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortised cost		( \$ 873 )	\$ -
Proceeds from disposal of financial assets at amortised cost		-	22
Acquisition of financial assets at fair value through other comprehensive income		( 235,744 )	( 118,346 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	271,193	-
Cash paid for acquisition of property, plant and equipment	6(27)	( 299,228 )	( 65,009 )
Proceeds from disposal of property, plant and equipment		821	578
Acquisition of intangible assets		( 7,510 )	( 4,158 )
Cash paid for prepayments for business facilities	6(27)	( 51,248 )	( 1,424 )
(Increase) decrease in guarantee deposits paid		( 9,523 )	1,826
Increase in prepayments for investments		( 20,000 )	-
(Increase) decrease in other non-current assets		( 3,764 )	2,932
Net cash flows used in investing activities		( 355,876 )	( 183,579 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayment of short-term borrowings	6(28)	( 80,000 )	-
Increase in short-term borrowings	6(28)	-	80,000
Repayment of lease principal	6(28)	( 9,612 )	( 4,911 )
Net amount of issuance of convertible bonds	6(28)	1,122,743	-
Repurchase of convertible bonds	6(13)(28)	( 100,802 )	-
Increase in guarantee deposits received	6(28)	1,381	2,412
Distribution of cash dividends from capital reserve	6(16)	-	( 16,291 )
Cash dividends paid	6(17)	( 366,543 )	( 228,071 )
Acquisition of treasury stocks	6(15)	( 67,901 )	-
Net cash flows from (used in) financing activities		499,266	( 166,861 )
Effect of foreign exchange rate changes on cash and cash equivalents		11,466	( 4,001 )
Net increase (decrease) in cash and cash equivalents		757,244	( 202,227 )
Cash and cash equivalents at beginning of year	6(1)	637,280	839,507
Cash and cash equivalents at end of year	6(1)	\$ 1,394,524	\$ 637,280

  
**All Ring Tech Co., Ltd.**  
**Earnings Distribution Table**  
 2022

Attachment IV

Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the period	261,971,703
Plus (minus): change in re-measurement of defined benefit plan in the current period	1,617,140
Net profit after tax for the current period	541,222,831
Provision of legal reserve	499,039,086
Reversed special reserve	
Current period distributable earnings	( 56,019,551)
Items of Earning Distribution	766,147,668
Shareholder bonus - cash	
Undistributed earnings at the end of the period	( 249,723,296)

Note 1: The 2022 earnings shall be distributed first.

Note 2: Cash dividends of NT\$3.10 per share shall be allocated. For reasons that have caused change in the number of outstanding shares and interest/share distributions, such as converting convertible bonds, buying back treasury shares, transferring treasury shares, or exercising employee stock options, it is proposed that the shareholders authorize the Board of Directors to handle the matter and announce it separately.

Note 3: The date of interest distribution shall be determined by the Board of Directors after the present resolution is agreed upon at the Shareholders' Meeting. Any dividend less than NT\$1 rounds down to zero. The total rounded off amounts, are accounted as other income in the Company's financial statements.

Chairman of the Board:  
Ching-Lai Lu



Manager:  
Hsin-Yao Cheng



Accounting Supervisor:  
Hsiao-Mei Wang



## All Ring Tech Co., Ltd.

### Articles of Incorporation (Before Amendments)

#### Chapter I - General Provisions

Article 1: The Company is organized in accordance with the Company Act of the Republic of China, and is named All Ring Tech Co., Ltd. (萬潤科技股份有限公司). English name is named as ALL RING TECH CO., LTD.

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

- I. CB01010 Machinery and Equipment Manufacturing
- II. CE01030 Photographic and Optical Equipment Manufacturing
- III. F401010 International Trade
- IV. JE01010 Rental and Leasing Business (apply for automatic IC ball mount toolings and automatic machinery equipments only)  
Research, development, manufacturing and sales for the following products:
  - (I) Automatic IC ball mount tooling
  - (II) SMD capacitor tester
  - (III) Digital Camera Binocular
  - (IV) Automatic mechanical engineering design, manufacturing and assembly with software development of computer
  - (V) International trade of products listed above

Article 3 The Company shall have its head office in the Kaohsiung Campus of the Southern Science and Industrial Park, and shall be free, upon approval of the board of directors, to establish branches at home or abroad when deemed necessary.

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

#### Chapter II - Shares

Article 5 The total capital of the Company shall be in the amount of NT\$1,500,000,000, which is divided into 150 million shares, at NT\$10 each. The Board of Directors are authorized to issue shares in multiple times. An amount of NT\$80,000,000 of the total capital stock is reserved for the issuance of employee stock options.

Article 5-1: The subscription price for the employee stock options issued by the company is not subject to the relevant laws and regulations. The resolution for issuance may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent more than one-half of the issued shares of the company. The shares shall be issued multiple times within one year from the resolution by the shareholders.

Article 5-2: The treasury stocks repurchased by the company may be transferred to the employees at a price lower than the average price paid for the shares. The resolution for transfer may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the company.

Article 5-3: The employees' compensation given to the subsidiaries' employees is as follows:

1. The shares purchased in accordance with the Company Act shall be transferred to the parties, including the subsidiaries' employees who meet certain conditions.
2. In accordance with the Company Act, the employee stock options shall be issued to the parties, including the subsidiaries' employees who meet certain conditions.
3. In accordance with the Company Act, the employees who have subscribed new shares issued shall include the subsidiaries' employees who meet certain conditions.
4. In accordance with the Company Act, the recipients to whom restricted employee shares issued shall include the subsidiaries' employees who meet certain conditions.

Article 6: The total amount of the company's reinvestment is not subject to the limit of 40% of the paid-in capital, as dictated by Article 13 of the Company Act.

Article 6-1: The Company may endorse and guarantee externally for business or investment purposes.

Article 7: The company may issue shares without printing share certificates, but shall register at Taiwan Depository & Clearing Corporation.

Article 8: Registration for shares transfer shall be suspended within 60 days before the annual shareholders' meeting, within 30 days before the interim shareholders' meeting, or within 5 days before dividends, bonuses or other benefits are scheduled to be paid by the company.

### **Chapter III - Shareholders' Meeting**

Article 9: Shareholders' meeting is divided into two categories; the annual shareholders' meeting is convened every year; it is convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. The interim shareholders' meeting may be convened in accordance with the law when deemed necessary.

Article 10: A shareholder may, with a written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on their behalf.

Article 11: Each share shall be entitled to one vote, which can be exercised in paper form or electronically.

Article 12: Except as dictated in the Company Act, resolutions shall be adopted with the concurrence of one-half of votes exercised by the shareholders present at the shareholders' meeting who represent one-half of the issued shares of the company.

Article 12-1: The company's shareholders' meeting minutes and relevant reports shall be publicly announced.

### **Chapter IV - Directors and the Audit Committee**

Article 13 The company has seven to twelve directors. The system of nomination of candidates in Article 192-1 of the Company Act shall be adopted for the election of directors since the 10th term. The term of office shall be three years. The directors shall be selected from the list of candidates for directors and may be re-appointed if they are re-elected.

Article 13-1: In accordance with Article 14-2 of the Securities and Exchange Act, the number of the aforementioned Directors shall include at least 3 Independent Directors that account for no less than one-fifth of the number of Directors; the candidate nomination system shall be adopted for the election, as set out in Article 192-1 of the Company Act.

The Audit Committee in accordance with the Securities and Exchanges Act shall be comprised of all Independent Directors, whose number shall be no less than three, and one of whom will be the convener. At least one of the members shall have accounting or finance expertise. The exercise of the functional authorities and related matters of the Audit Committee and its members shall be handled in accordance with the Securities and Exchange Act and relevant laws and regulations.

Article 13-2: In accordance with Article 204 of the Company Law, the Company may convene the meeting of the Board of Directors at any time in case of an emergency. The Company shall notify the directors of the meeting in paper form, by e-mail or by fax.

Article 14: The Directors shall elect from among themselves a Chairman of the Board of Directors by one-half of the members in a meeting attended by over two-thirds of the Directors. The Directors may elect a Vice Chairman of the Board of Directors. The Chairman of the Board of Directors shall have the authority to represent the company.

Article 15: When the Chairman takes leave or fails to exercise his or her authority, his/her proxy

shall comply with Article 208 of the Company Act.

According to Article 205 of the Company Law, a director may, with sealed or signed authorization specifying the scope of authorized rights, appoint another Director to attend on his behalf the meeting of the Board of Directors.

Article 16 The Board of Directors is authorized by the shareholders' meeting to determine the compensation of all directors. Regardless of operating profits or losses, the compensation shall be paid according to the industry standard.

Article 16-1: The Company may establish various functional committees after considering the size of the company, the nature of the business, and the number of Directors. The organizational procedures of these committees shall be decided by the Board of Directors in accordance with relevant laws and regulations.

### **Chapter V - Managers**

Article 17: The Company shall have a number of general managers, deputy general managers, and managers. Their appointment, dismissal, and compensation shall comply with Article 29 of the Company Act.

### **Section VI - Accounting**

Article 18: In accordance with Article 228 of the Company Act, at the end of a fiscal year, the Board of Directors of the company shall prepare the following reports and statements to be submitted to the Annual Meeting of Shareholders for adoption according to the procedures prescribed by law. I. Business report II. Financial statements III. Proposal Concerning Earnings distribution or covering of losses.

Article 19: Deleted.

Article 20: As the company faces an ever-changing industrial environment and the business is in the stage of steady growth, the Board of Director shall take into consideration the budget for future capital expenditure and funds needed and weigh the necessity of allocating earnings to support capital needs when deciding on the amount of earnings to be retained or distributed and the amount of dividend to be paid in cash.

If there is any surplus in the final accounts of the company every year, in addition to the income tax of profit-making enterprises and making up for the losses of previous years, if there is any balance, it shall set aside 10% as the legal surplus reserve first, except when the legal surplus reserve has reached the paid in capital. After the special surplus reserve is set aside or reversed in accordance with the law, plus the accumulated undistributed surplus of the previous year, it is the accumulated distributable surplus. At least 30% of the accumulated distributable surplus shall be allocated as shareholders' dividends, and the cash dividends shall not be less than 10% of the total shareholders' dividends. The Board of Directors shall, based on relevant factors such as future business or re-investment, propose the distribution of earnings, and submit the proposal to the shareholders' meeting for approval.

Article 20-1: The Company shall allocate no less than 3% of its annual profit as compensation to the employees and no more than 3% of its annual profits as compensation to the Directors. However, the Company shall reserve a sufficient amount to offset its accumulated losses. The compensation shall be distributed, in stock or in cash, to the employees of the Company or the qualified employees of the affiliated companies. The earnings for the current year means the annual pre-tax earnings before deduction of the remuneration to employees and directors. Proposals of distributions to employees and directors shall be taken to the shareholders' meeting for approval after the resolution is reached by a majority of the Board with two thirds in attendance.

## **Chapter VII - Supplementary Provisions**

Article 21: In regard to the matters not specified in the Articles of Incorporation, the Company Act of the Republic of China shall prevail.

Article 22: The Articles of Incorporation was established on May 18, 1996.

The first Amendment was approved on July 9, 1996.

The second Amendment was approved on May 14, 1998.

The third Amendment was approved on June 20, 1999.

The fourth Amendment was approved on May 1 2000.

The fifth Amendment was approved on July 8, 2000.

The sixth Amendment was approved on May 12, 2001.

The seventh Amendment was approved on July 20, 2001.

The eighth Amendment was approved on May 27, 2002.

The ninth Amendment was approved on June 3, 2003.

The tenth Amendment was approved on June 15, 2004.

The Eleventh Amendment was approved on June 15, 2006.

The twelfth Amendment was approved on June 21, 2007.

The thirteenth Amendment was approved on April 30, 2008.

The fourteenth Amendment was approved on June 10, 2009.

The fifteenth Amendment was approved on May 12, 2010.

The sixteenth Amendment was approved on June 22, 2011.

The seventeenth Amendment was approved on May 7, 2012.

The eighteenth Amendment was approved on June 12, 2014.

The nineteenth Amendment was approved on June 15, 2016.

The twentieth Amendment was approved on June 15, 2017.

The twenty-first Amendment was approved on June 13, 2019.

The twenty-second Amendment was approved on June 10, 2020.

The twenty-third Amendment was approved on June 17, 2021.

The twenty-fourth Amendment was approved on June 9, 2022.

**All Ring Tech Co., Ltd.**  
**Rules and Procedures of the Shareholders' Meeting**

Article 1

In order to establish efficient governance of the shareholders to improve supervision and strengthen management, the company has set up the Rules and Procedures for Shareholders' Meeting of All Ring Tech Co., Ltd. (hereinafter referred to as the Rules) in accordance with the Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2

Unless otherwise prescribed by relevant laws and ordinances or the Company's Articles of Incorporation, the Rules and Procedures of Shareholders' Meeting of the Company shall be in accordance with these Rules.

Article 3

Unless otherwise dictated by regulations, the shareholders' meeting is convened by the Board of Directors.

The Company shall upload the electronic version of the meeting notice for the shareholders' meeting, paper for the power of attorney, the proposals, discussions, election or dismissal of Directors to the Market Observation Post System 30 days before the annual meeting of shareholders, or 15 days before the extraordinary shareholders' meeting. The company shall prepare shareholders' meeting agenda and related supplemental materials in electronic form, and upload them to the MOPS 21 days before the annual shareholders' meeting or 15 days before a special meeting. The Company shall prepare shareholders' meeting agenda and related supplemental materials 15 days before the shareholders' meeting, and make them accessible to shareholders at any time. In addition, the agenda shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the shareholders' meeting.

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

The selection or removal of directors, change of Articles of Incorporation, reduction of capital, application for suspension of public issuance, permit for director's business competition, surplus to capital increase, public reserve to capital increase, dissolution, merger, division of the Company, or the matters referred to in Article 185, Paragraph 1 shall be listed in the reasons for convening the meeting and the main contents shall be stated, which shall not be put forward by temporary motion; the main contents may be placed in the securities authority or the Company's designated website, and its website address shall be specified in the notice.

The reasons for the convening of the shareholders' meeting have indicated the full re-election of directors and the date of taking office. After the re-election of the shareholders' meeting is

completed, the date of taking office shall not be changed by temporary motion or other means at the same meeting.

Shareholders holding 1% or more of the total number of issued shares of the Company may submit a proposal to the Company for discussion at a shareholders' regular meeting. Such proposals, however, are limited to one item only; no proposal containing more than one item shall be included in the meeting agenda. However, if the shareholders' proposal is a proposal to urge the company to promote public interests or fulfill social responsibilities, the Board of Directors may still include the proposal. If a shareholder's proposal contains circumstances in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may not include the proposal as an agenda.

The company shall publicly announce the acceptance of the shareholder's proposal, written or electronic acceptance method, acceptance place and acceptance period before the date of suspension of stock transfer before the shareholders' meeting; the acceptance period shall not be less than 10 days.

Submitted shareholder proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The proposal sponsor shall attend, in person or by proxy, the shareholders' regular meeting and join in the discussion of the proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform all the sponsors of the proposal-screening results, and shall list in the shareholders' meeting notice the proposals conforming to this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for the dismissal of proposals.

#### Article 4

A shareholder may, with written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on his behalf.

Shareholders may appoint only one proxy by issuing a proxy authorization letter, which shall be delivered to the company five days before the date of shareholders' meeting. In case of repeated proxy authorization letter, the one delivered earliest shall prevail, except for the statement for cancellation of former proxy.

After the proxy authorization is submitted to the Company, in case the shareholder wishes to attend the shareholders' meeting in person or to exercise his voting right in writing or electronically, a written notice shall be filed to the Company to rescind the proxy authorization within 2 days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

#### Article 5

The venue where a shareholder meeting is to be held shall be in the premises of the company or a location accessible to shareholders and appropriate for holding meetings. Shareholders'

meetings shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. The opinions of Independent Directors shall be fully considered in the decision of the location and time of the shareholders' meeting.

#### Article 6

The Company shall specify in the shareholders' meeting notices the time period and location for registration, and other matters worthy of attention.

The check-in time described in the preceding paragraph shall be at least 30 minutes prior to the meeting. The check-in counter shall be clearly indicated and competent personnel shall be assigned to help shareholders check in.

The shareholder or the shareholder proxy (hereinafter referred to as the shareholder) shall present the attendance certificate, attendance card or other attendance certificate at the Shareholders' meeting; the solicitor of authorization letters shall carry an identity document for verification.

The Company shall prepare a check-in book for shareholders to sign in; shareholders may hand in an attendance card in lieu of signing on the check-in book.

The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the shareholders attending the shareholders' meeting. If Directors are to be elected, ballots shall also be provided.

When the government or a corporate is a shareholder, it may have more than one representative at a shareholders' meeting. When a corporate is appointed to attend a shareholders' meeting, it may designate only one person to do so.

#### Article 7

When a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. In case the Chairman of the Board is on leave or unable to exercise the power of Chairman, the vice Chairman shall preside. If the Board has not appointed a vice Chairman or the vice Chairman is also on leave or unable to exercise the power of the vice Chairman, the Chairman shall appoint one of the managing directors to preside. If managing directors have not been appointed, one of the directors shall be appointed to preside. When the Chairman has not made such appointment, the managing directors or the directors shall elect a chair from among themselves.

When the chair is elected from the managing directors or directors, those who have held the position for six months or longer and understand the financial and business operations of the Company shall be considered with priority. The same shall be true for a representative of a corporate director that serves as chair.

Shareholders' meetings convened by the Board of Directors shall be attended by a majority of the directors.

If an eligible party other than the Board of Directors convenes a shareholders' meeting, the convening party shall chair the meeting. In case of two or more convening parties, they shall select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related personnels to attend a shareholders' meeting as guests.

#### Article 8

The Company shall record, uninterruptedly, the full process of the meeting with audio and video, from the beginning of reception, discussions to voting/vote counting.

The aforementioned video and audio files shall be kept for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the litigation is closed.

#### Article 9

Attendance at a shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall include the shares indicated by the check-in book and the sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or electronically.

The chairman shall call the meeting to order at the appointed meeting time together with such information as the number of non-voting rights and the number of shares present. However, when the attending shareholders have not yet represented 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 1 hour, are 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.

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 in accordance with Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting, which is to be convened within one month.

When, prior to the close of the shareholders' meeting, the attending shareholders represent one-half of the total number of issued shares, the chair may resubmit the tentative resolution for a vote at the meeting in accordance with Article 174 of the Company Act.

#### Article 10

If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The relevant proposals (including motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a

resolution adopted at the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by an eligible party other than the Board of Directors.

The chair shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda as referred to in the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders. If the chair declares the meeting adjourned in violation of the Rules, other members of the Board of Directors shall promptly assist the attending shareholders to elect a new chair according to statutory procedures, by agreement of one-half of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall give the opportunity to fully explain and discuss the proposals, as well as the amendments or motions proposed by the shareholders. When the chairperson is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the proposal to vote. The chairperson shall also allocate sufficient time for voting.

#### Article 11

An attending shareholder shall, before speaking, complete a speaker's slip indicating the subject of speech, shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chair.

An attending shareholder who has submitted a speaker's slip but did not 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 content of the speech shall prevail.

Unless permitted by the chair, a shareholder shall not speak more than twice on a proposal, and each speech shall not exceed five minutes. If the shareholder's speech violates the regulations or diverges from the agenda, the chair may terminate it. Unless permitted by the chairman and the shareholder who has the floor, no shareholder shall interrupt the speech; otherwise the chair shall stop such interruption.

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

After an attending shareholder has finished his/her speech, the chair may respond in person or appoint relevant personnel to respond.

#### Article 12

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

With respect to the resolutions at the shareholders' meeting, the number of shares held by a shareholder with no voting right shall not be counted as part of the total number of issued shares.

A shareholder, whose interests may be related to a matter so as to potentially jeopardize the

interests of the company, shall not vote on that matter, and shall not exercise his/her voting right as proxy for other shareholder.

Under the preceding paragraph, the number of shares which voting rights cannot be exercised shall not be counted 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, a shareholder proxy concurrently appointed by two or more shareholders, shall not have voting rights exceeding 3% of those represented by the total number of issued shares; the excess of voting rights shall not be counted.

### Article 13

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

When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be described in the shareholders' meeting notice. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person, but shall be deemed to have waived his rights with respect to extempore motions and revisions to the original proposals of that meeting. It is therefore advisable that the Company avoids submission of extempore motions and revisions to the original proposals.

The notice about exercising voting rights in writing or electronically shall be delivered to the company at least two days before the date of shareholders' meeting. In case of repeated notice, the one delivered earliest shall prevail, except for the statement for cancellation of former notice.

After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the meeting in person, he shall withdraw, in the same manner, the previous exercise of voting rights no later than two days before the shareholders' meeting. Once the withdrawal is overdue, the previous exercise of voting rights in writing or electronically shall prevail. When a shareholder has exercised his voting rights in writing or electronically and at the same time has appointed a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy shall prevail in the meeting.

Except as otherwise dictated in the Company Act and in the Articles of Incorporation, the agreement on a proposal shall require the concurrence of a majority of the voting rights represented by the attending shareholders. At voting, the total number of voting rights of the attending shareholders shall be declared by the chair or a designated person on a case-by-case basis. A proposal is deemed to have passed when no attending shareholders gave an objection after being inquired by the chair, and the effect thereof is the same as a vote. If there is an objection, the voting as referred to in the preceding paragraph shall be adopted.

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. If one of the proposals is passed, the others will then be deemed rejected, and no further voting is required.

Vote-monitoring and vote-counting personnels for a vote on a proposal shall be appointed by the chair, provided that all monitoring personnels are shareholders of the Company.

When voting on motions or elections, the vote counting shall be conducted at an open space in the shareholders' meeting, and the results, including weights, shall be announced immediately after counting and recorded.

#### Article 14

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 those not elected as directors and the number of voting rights thereof.

The ballots for the election as referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnels and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the litigation is closed.

#### Article 15

The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.

#### Article 16

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement detailing the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies; the Company shall disclose explicitly the statement at the shareholders meeting.

If a matter put to a resolution at a shareholders' meeting constitutes material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the Market Observation Post System (MOPS) within the prescribed time period.

#### Article 17

Staff handling the administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

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

At the shareholders' meeting, if a shareholder attempts to speak through any device other than the equipment set up by the Company, the chair may stop the shareholder.

When a shareholder violates the Rules by defying the chair's correction, obstructing the proceedings, or refusing to heed calls to stop, the chair may direct the proctors or security personnels to escort the shareholder from the meeting.

#### Article 18

When a meeting is in progress, the chair may announce a break in view of the time. If a force majeure event occurs, the chair may suspend the meeting temporarily and, in view of the circumstances, announce a time to resume the meeting.

If the meeting venue is no longer available for use and the meeting agenda (including extempore motions) has not been fully addressed, the shareholders may agree to resume the meeting elsewhere.

The shareholders may agree to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

#### Article 19

If the shareholders' meeting is held by video conference, the Company shall, immediately after the end of voting, disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations, and shall continue the disclosure for at least 15 minutes after the chair announces the adjournment of the meeting.

#### Article 20

When the Company holds a video shareholders' meeting, the chair and the recorder shall be at the same domestic place, and the chair shall announce the address of the place at the time of the meeting.

#### Article 21

If the shareholders' meeting is held by video conference, the Company shall provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before and during the meeting to assist in handling technical problems of communication.

If the shareholders' meeting is held by video conference, the chair shall, when announcing the opening of the meeting, separately announce the postponement of the shareholders' meeting or the resuming date of the meeting due to the failure of the video conference platform or the failure to participate by video for more than 30 minutes caused by force majeure events before the chair announces the adjournment of the meeting, except the circumstances where postponement or continuation of the meeting is not needed as stipulated in Article 44-20 of the Standards for Stock Registration and Transfer of Publicly Offering Companies; the provisions of Article 182 of the Company Act shall not apply.

When the shareholders' meeting is postponed or resumed in accordance with the provisions of the preceding paragraph, it is not necessary to discuss and resolve again on the resolutions for which the voting and counting of votes have been completed, and the voting results or the list of elected directors and supervisors have been announced.

When postponing or resuming the meeting in accordance with the provisions of Paragraph 2, the Company shall handle the relevant preparatory matters in accordance with the provisions set forth in Paragraph 4, Article 44-20 of the Standards for Stock Registration and Transfer of Publicly Offering Companies, the date of the original shareholders' meeting and the provisions of this Article, and the shareholders who are listed in the register of shareholders whose transfer is scheduled to be stopped at the shareholders' meeting are entitled to attend the shareholders' meeting.

During the period specified in the last paragraph of Article 12 and Paragraph 3, Article 13 of the Rules for the Use of Power of Attorney for Publicly Offering Companies to Attend Shareholders' Meetings, as well as Paragraph 2 of Article 44-5, Article 44-15 and Paragraph 1 of Article 44-17 of the Standards for Stock Registration and Transfer of Publicly Offering Companies, the Company shall handle according to the postponement or resuming of the date of the shareholders' meeting specified in Paragraph 2.

Where the Company convenes a video-assisted shareholders' meeting and the video conference cannot be continued as specified in the second paragraph, if the total number of shares present after deducting the number of shares present at the shareholders' meeting by video still reaches the statutory quota for the resolution of the shareholders' meeting, the shareholders' meeting shall continue without postponement or resuming of the shareholders' meeting as specified in Paragraph 2.

When convening a video conference of shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video.

## Article 22

The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.

The first Amendment was approved on June 9, 2022.

**Operational Procedures for Loaning of Company Funds (current)**

**I. Purpose**

**Article I. Purpose and Legal Basis**

In accordance with the company's actual needs, the company needs to lend funds to other companies (hereinafter referred to as the borrower) in accordance with the Operating Procedures. The Procedures were formulated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies specified in the Tai-Cai-Zheng-Liu-Zi No. 0910161919 dated December 18, 2002. Any unspecified matters in the Procedures shall be governed by the relevant regulations.

**II. Operating Procedures**

**Article II. Evaluation Criteria for Counterparty to Whom Funds Are Loaned**

According to the Company Act, the company's funds shall not be loaned to shareholders or any other person except in the following circumstances:

- (I) A corporation or sole proprietorship and partnership that have business dealings with the company; the term "business dealings" mentioned above refers to those who have purchased or sold goods from/to the company.
- (II) A corporation or sole proprietorship and partnership that have the need for short-term financing with the company, that is, it is only limited to a corporation or sole proprietorship and partnership (of which the company holds more than 20% of shares) that has the need for short-term financing due to business needs. The aforementioned "short-term" refers to the period of one year or one business cycle, whichever is longer in accordance with the aforementioned official letter issued under the Ministry of Economic Affairs. The amount of financing refers to the accumulated balance of the company's short-term financing.

**Article III. Total Amount of Funds Loaned and Limit of Each Fund Loaned**

The total amount of financing shall not exceed 40% of the net worth of the company to which the fund is loaned; it may be divided into the following two situations.

- (I) Where fund is loaned to a company or sole proprietorship and partnership with business dealings with the company, the total amount of the funds shall not exceed 20% of the net worth of the company; the amount of each fund shall not exceed the amount of business transactions between both parties in the most recent year. The amount of business transactions refers to the amount of purchase or sales of goods between both parties, whichever is higher.
- (II) Where fund is loaned to a company or sole proprietorship and partnership with the need for short-term financing, the total amount of the funds shall not exceed 20%

of the net worth of the company; the amount of each fund shall not exceed 10% of the net worth of the company.

The loan lending between the foreign companies of which the company directly or indirectly holds 100% of the voting shares or foreign companies of which a publicly listed company directly or indirectly holds 100% of the voting shares engage loan lending with the public listed company do not subject to the aforementioned provision. If the person in charge of the company violates Paragraph 1 and the preceding paragraph, the person in charge shall bear the liability of returning the loan with the lender. If the company suffers from damages, the person in charge shall be liable for the damages.

#### Article IV. Duration and Calculation Method of Funds Loaned

- (I) In principle, the duration of each fund loaned shall not exceed one year or one business cycle (whichever is longer) from the date of the fund granted, and may only be extended once ( by one year) with the approval of the Board of Directors via resolution.
- (II) The interest of the fund loaned is calculated on a daily basis; the sum of the daily loan balance (i.e. the total amount) is multiplied by its annual interest rate before divided by 365 as the amount of interest. The annual interest rate shall not be lower than the company's average interest rates of short-term loans offered by banks.
- (III) Unless otherwise stipulated, the payment of interest on the fund loaned shall be made on a monthly basis; the borrower may be notified to pay interest on time one week before the agreed interest payment date.

#### Article V.Procedures for Lending Funds

##### (I) Procedures

1. When the company engages in loaning funds or short-term financing, after the case is reviewed by the department in charge, it will be submitted to the Chairman for approval and reported to the Board of Directors for resolution before execution. (Note: If Independent Directors have been set up, their opinions shall be taken into full consideration during discussions at the Board meeting, and clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.) For the fund loaned between the company and its subsidiaries, or between the subsidiaries of the company, the matter shall be submitted to the Board of Directors for resolution in accordance with regulations; the Chairman of the Board may be authorized to provide the fund in multiple installments or revolving credit line for a period of no more than one (1) year to the same counterparty receiving the fund, provided that the amount of the loan is within a certain limit resolved upon by the Board of Directors. The certain limit mentioned above, except for foreign companies of which the company holds direct or indirect 100% of the voting shares, the credit limit of the fund loaned by the company or subsidiaries to a

single enterprise shall not exceed 10% of the net worth of the company's latest financial statements.

2. The financial unit shall fill in "The Application Form for Loaning of Funds to Others" for the matters regarding funds loaned to others. After the fund loaned is approved the Board of Directors via resolution, the counterparty, the amount, the date of approval by the Board of Directors, the date of the fund granted, and the matters to be prudently evaluated in accordance with the review process shall be detailed in the "Memorandum Book on Loaning of Funds to Others" for future reference.
3. Internal auditors shall audit the operating procedures for loaning of funds to others and the implementation status on a quarterly basis and develop written records accordingly. If any material violation is found, the company shall immediately notify the Independent Directors in writing.
4. The financial unit shall evaluate the situation of funds loaned, appropriate an adequate reserve for bad debts, properly disclose relevant information in the financial statements, and provide relevant information to certified public accountants (CPA) to perform necessary auditing procedures.
5. Where the balance of the fund loaned exceeds the limit due to changes in the circumstances, the financial unit shall establish improvement plans, send relevant improvement plans to all the Independent Directors, and complete the improvements in accordance with the schedule of the plans.

## (II) Review Procedures

1. When the company engages in loaning of funds, the corporation or sole proprietorship and partnership that applies for loaning of a fund shall submit relevant financial information and statement of the purpose of the loaning of the fund in writing.
2. After the company accepts an application, the department in charge shall investigate and assess the necessity and reasonableness of the loaning of a fund to others, whether the counterparty has a direct (indirect) business relationship with the company, the counterparty's financial status of the business, the solvency and credit, profitability, and the purpose of the fund, and after considering the extent of the impact of the total amount of the company's fund loaned on the company's business risk, financial status, and shareholders' equity, it shall prepare relevant written reports to the Board of the Directors for review.
3. When the company engages in the loaning of funds or short-term financing, it shall obtain a secured note in the same amount, and, if necessary, register the pledge of movable property or immovable property, and assess whether the value of the collateral is equivalent to the balance of the fund loaned on a quarterly basis; if necessary, the collateral shall be increased. In the case of the

loan guarantee of the preceding paragraph, if the borrower provides a personal or corporate guarantee with equivalent worth and credit, instead of providing the collateral, the Board of Directors may proceed according to the review report issued by the department in charge; if the borrower has the corporate guarantee, attention shall be paid to whether the Articles of Incorporation contains provisions for the said guarantee.

Article VI. Follow-up Control Measures and Overdue Loan Processing Procedures

- (I) After each fund is granted, the Finance Department shall always pay attention to the changes in the borrower's and guarantor's financial, business, and relevant credit status and in the value of the collateral, and prepare a written record accordingly. If there is a material change, General Manager and relevant units in charge shall be notified immediately to respond as soon as possible.
- (II) Only when the borrower repays the loan upon or before maturity together with the principal plus accrued interest, the guarantee note shall be returned to the borrower, or the pledge can be canceled.
- (III) If the borrower fails to repay the loan upon maturity and needs to defer it, the borrower shall file a request in advance and report it to the Board of Directors for approval before deferring it. In case of any violation, the company may impose a penalty on or claim the loan from the collateral or guarantor provided in accordance with laws.

Article VII. Management Procedures for Lending Funds to Other Parties by Subsidiaries

- (I) (I) If a subsidiary of the company intends to loan funds to others, the company shall instruct the subsidiary to establish the "Operating Procedures for Loaning of Funds to Others" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and handle the relevant affairs according to the said Operating Procedures; however, the net worth is based on that of the parent company.

The so-called "subsidiaries and parent company" shall be defined according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the financial statements of the public companies are prepared in accordance with the International Financial Reporting Standards, the stated net worth refers to the equity attributable to owners of parent company as set out in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- (II) The subsidiary shall prepare a detailed list of the funds loaned to other companies in the preceding month prior to the fifth (excluding) of each month and submit it to the company for review.
- (III) The audit unit of the company shall list the funds loaned by the subsidiaries to others as one of the audit items, and the auditing situation shall be listed as one of the necessary items in the audit report to the Board of Directors.

Article VIII. Information Disclosure

- (I) The company shall enter the balance of the funds loaned by the company and its subsidiaries into the Market Observation Post System (MOPS) for the preceding month prior to the 10th of each month.
- (II) The company shall enter the information into the Market Observation Post System (MOPS) within two days after the date of occurrence of the event when the company's loan to others meets one of the following criteria:
  - 1. The balance of the funds loaned to others by the company and its subsidiaries reaches 20% or more of the company's net worth as stated in the most recent financial statements.
  - 2. The balance of the funds loaned to a single enterprise by the company and its subsidiaries reaches 10% or more of the company's net worth as stated in the most recent financial statements.
  - 3. The amount of the fund newly loaned by the company and its subsidiaries reaches NT\$10 million or more and accounts for 2% of the company's net worth as stated in the most recent financial statements.

The so-called "Date of occurrence" refers to the date of contract signing, date of payment, date of resolution by the Boards of Directors, or other dates that can confirm the counterparty and amount of the loan, whichever date is earlier.

- (III) If a subsidiary of the company is not a domestic public company, when the subsidiary shall announce and declare the matters as set out in point 3 in the preceding subparagraph, the company shall do it on its behalf.

#### Article IX. Penalties

Where the company's managers and primary personnel violate the Operating Procedures, the violation shall be submitted for assessment in accordance with the company's Regulations Governing Personnel Management and Employee Handbook; a penalty will be imposed according to the severity of the violation.

#### Article X. Implementation and Amendment

The Procedures, after passage by the Board of Directors, shall be submitted for approval by the shareholders' meeting for implementation; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion. The same shall apply to any amendments to the Procedures.

In addition, since the company has set up Independent Directors, when the Operating Procedures is submitted to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each Independent Director shall be fully considered, and clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.

The Company has established an Audit Committee pursuant to laws and regulations.

The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for

resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

### III. Control Points

1. Whether the amount of funds loaned to others is appropriate without affecting the company's normal operations based on the company's current financial position.
2. Whether the limit of funds loaned to others and the counterparties are in compliance with the company's regulations.
3. Whether the financing period and the calculation and collection of interest accrued are executed effectively.
4. Whether each fund loaned is handled in accordance with the relevant regulations and review procedures.
5. Whether the account processing for each fund loaned externally is carried out in a detailed and accurate manner.
6. Whether there are follow-up control and collection of the amount of funds already loaned.
7. Whether the subsidiaries' control procedures for funds loaned to others are handled in accordance with the parent company's regulations.
8. Whether the application forms and details of the forms for the loaning of funds to others are consistent with the records on the Memorandum Book on Loaning of Funds to Others.
9. Are matters related to public announcement and declaration handled in accordance with the relevant regulations set forth by the competent authority?

### IV. Attachments

1. Application Form for Loaning of Funds to Others
2. Details of Amount of Funds Loaned to Others
3. Memorandum Book on Loaning of Funds to Others

**Procedures for Endorsement and Guarantee (before Amendment)**

**I. Purpose**

**Article I. Purpose**

The Operating Procedures were formulated accordingly in order for the company to provide endorsements or guarantees for others. The Procedures were formulated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies specified in the Tai-Cai-Zheng-Liu-Zi No. 0910161919 dated December 18, 2002. Any unspecified matters in the Procedures shall be governed by the relevant regulations.

**II. Operating Procedures**

**Article II. Scope of Application**

The term "endorsements/guarantees" as specified in the Operating Procedures includes:

- (I) Financing endorsement/guarantee, which refers to bill discount financing, endorsement or guarantee made to meet the financing needs of another company, and issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
- (II) Customs duty endorsement/guarantee, which refers to an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
- (III) Other endorsements/guarantees, which refer to endorsements or guarantees beyond the scope of the two subparagraphs above.
- (IV) Any creation by the company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedures.

**Article III. Entities for which Endorsements/Guarantees are Provided**

- (I) A company with which the company has business dealings.
- (II) A company in which the company directly and indirectly holds more than 50% of the voting shares.
- (III) A company which directly and indirectly holds more than 50% of the voting shares in the company.

Companies in which the company holds, either directly or indirectly, 90% or more of the voting shares may provide endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the company. However, this restriction shall not apply to endorsements/guarantees provided between companies in which the company holds, either directly or indirectly, 100% of the voting shares.

Endorsements/guarantees provided by all shareholders, who make capital contribution, for their jointly invested company in proportion to their shareholding percentages shall not be subject to the restrictions specified in the preceding two paragraphs.

The term "capital contribution" specified in the preceding paragraph shall mean capital contribution directly by the company, or through a company in which the company holds 100% of the voting shares.

#### Article IV. Limit on Endorsement/Guarantee Amount

The total amount of endorsements/guarantees provided by the company for others may not exceed 40% of the net worth of the company for the current period, whereas the limit on the total amount of endorsements/guarantees provided by the company for a single enterprise shall not exceed 20% of the net worth of the company for the current period. The total amount of endorsements/guarantees provided by the company and its subsidiaries for others may not exceed 50% of the net worth of the company for the current period, whereas the limit on the total amount of endorsements/guarantees provided by the company and its subsidiaries for a single enterprise shall not exceed 20% of the net worth of the company for the current period. The total amount of endorsements/guarantees provided due to business relationship may not exceed the total amount of transactions with the company in the most recent year (i.e. purchase or sales of goods between both parties, whichever is higher). The net worth is as reported in the latest Financial Statement audited by the accountants.

#### Article V. Level of Decision-Making and Authorization

Endorsement/guarantee activities conducted by the company shall first be approved by the Board of Directors by resolution before implementation. However, in line with time requirements, the Board of Directors may authorize the Chairman to first deliberate on such activities within 20% of the net worth of the company for the current period before reporting them to the following Board of Directors' meeting for ratification. The implementation of such activities shall also be reported to the Shareholders' Meeting for future reference.

When the company provides endorsements/guarantees to others after Independent Directors are elected, the opinions of all Independent Directors shall be fully considered, and clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.

The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

#### Article VI. Procedures for Endorsements and Guarantees

- (I) When a company for which an endorsement/guarantee is provided needs to use the amount of endorsement/guarantee within the limit, this company shall provide its basic information and financial information, and fill out the application form to apply for the use of endorsement/guarantee to the company's Finance Department.

The Finance Department shall conduct detailed assessment and perform credit investigation. Items to be assessed include the necessity and reasonableness of an endorsement/guarantee, whether the amount of an endorsement/guarantee provided due to business relationship is consistent with the amount of business transaction, the impact of an endorsement/guarantee on the operating risk, financial condition and shareholders' equity of the company, and whether it is necessary to obtain the relevant collateral and its valuation.

- (II) Personnel at the company's Finance Department shall collect and compile the relevant information and assessment results specified in the preceding paragraph. If the cumulative balance of endorsements/guarantees is yet to exceed 20% of the net worth of the company when handling an endorsement/guarantee, the endorsement/guarantee shall be handled upon approval by the Chairman, and reported to the next Board of Directors' meeting for ratification thereafter. If the cumulative balance of endorsements/guarantees has exceeded 20% of the net worth of the company, the endorsement/guarantee shall be submitted to the Board of Directors for approval, and handled according to the resolution of the Board of Directors. Before a subsidiary in which the company holds, either directly or indirectly, 90% or more of the voting shares provides an endorsement/guarantee, the endorsement/guarantee shall be reported to the company's Board of Directors in line with the provisions in Paragraph 2, Article 3 for resolution before implementation. However, this restriction shall not apply to endorsements/guarantees provided between companies in which the company holds, either directly or indirectly, 100% of the voting shares.
- (III) The Finance Department shall fill out the "Endorsement/Guarantee Application Form/Withdrawal Form", and indicate details, including the entity for which the endorsement/guarantee is provided and the amount of endorsement/guarantee, the date of approval by the Board of Directors or the Chairman, the date of endorsement/guarantee, items to be carefully assessed according to the regulations, the content and valuation of collateral, and the conditions and date for the termination of endorsement/guarantee liabilities, in the "Endorsement/Guarantee Memorandum Book".
- (IV) When a company for which an endorsement/guarantee is provided makes repayment, this company shall check the repayment information with the company to terminate the company's guarantee liabilities. This information shall be indicated on the "List of Endorsement/Guarantee Amount".
- (V) The Finance Department shall assess or recognize an endorsement/guarantee or the relevant loss, and appropriately disclose information regarding the endorsement/guarantee in the company's financial statements. In addition, the Finance Department shall provide the relevant information to CPAs in order to conduct the necessary verification procedures.
- (VI) If the entity, for which an endorsement/guarantee is provided, is a subsidiary whose net worth is less than 50% of its paid-in capital, the subsequent management and control measures shall be taken against the endorsement/guarantee. If the share of the subsidiary has no face value or its face value is not NT\$10 per share, the amount of paid-in capital as mentioned above shall be calculated as the sum of share capital and capital reserve - issued at premium.

## Article VII. Safekeeping of Seal and Relevant Procedures

The seal for endorsement/guarantee is the company seal applied to and registered under the Ministry of Economic Affairs. The seal shall be kept by the dedicated personnel approved by the Board of Directors. The same applies to change of seal. When providing an endorsement/guarantee, the relevant bill shall be stamped or issued in accordance

with the company's operating procedures. When the company provides an endorsement/guarantee for a foreign company, the letter of guarantee provided by the company shall be signed by a person authorized by the Board of Directors.

Article VIII. Notices of Endorsements and Guarantees:

- (I) Internal auditors at the company shall at least audit the operating procedures for endorsements and guarantees and its implementation every quarter, and make them into written records. Any major violation found shall be notified to each Independent Directors in writing.
- (II) If the parties of the company's endorsements and guaranties originally meet the requirements of Article 3 of these procedures and subsequently fail to meet the requirements, or the amount of endorsements and guaranties exceeds the limit set forth in Article 4 of these measures due to the change of the basis for calculating the limit, the audit unit shall urge the financial department to ensure that the amount or the part of the endorsements and guaranties exceeding the limit shall be eliminated at the expiration of the period set forth in the contract or at a certain time limit, and the report shall be submitted to the Board of Directors and the Independent Directors in writing, so as to complete the improvement according to the schedule.
- (III) If it is necessary for the amount of endorsement/guarantee provided by the company to exceed the limit set in the Operating Procedures due to business needs, and the endorsement/guarantee complies with the conditions stipulated in the Operating Procedure, the approval from the Board of Directors shall be obtained and a majority of the Directors shall act as joint guarantors for any loss that may be caused to the company due to the excess endorsement/guarantee. In addition, the Operating Procedures shall also be amended and submitted to the Shareholders' Meeting for ratification. When the endorsement/guarantee is not approved by the Shareholders' Meeting, a plan shall be adopted to eliminate the excess amount within a specified time limit. Where the company has elected Independent Directors, the opinions of all Independent Directors shall be fully considered during deliberation by the Board of Directors as mentioned in the preceding paragraph. Clear opinions regarding objection or reservation and reasons for objection shall be listed in the Board meeting minutes.

Article IX. Time Limit and Content of Public Announcement and Declaration.

- (I) The company shall enter the balance of endorsements/guarantees by the company and its subsidiaries for the previous month into the Market Observation Post System (MOPS) before the 10th day of every month.
- (II) The company shall enter the information into the Market Observation Post System (MOPS) within two days after the date of occurrence of the event when the company's endorsement/guarantee meets one of the following criteria:
  - 1. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement.
  - 2. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches 20% or more of the public company's net worth as stated in its latest financial statement.
  - 3. The balance of endorsements and guarantees provided by the company and its subsidiaries to a single enterprise reaches NT\$10 million or above, and the aggregate amount of the endorsements/guarantees provided for, the book value of investments by the equity method in, and the balance of funds loaned to the enterprise reaches 30% or more of the company's net worth as stated in its latest

financial statements.

4. The amount of new endorsements/guarantees provided by the company and its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the company's net worth as stated in its latest financial statements.
5. The term "date of occurrence" as mentioned in the preceding paragraph refers to the date of transaction, date of payment, dates of Board of Directors' resolutions, or other dates on which the counterparty and amount of endorsements/guarantees can be confirmed, whichever date is earlier.

(III) If a subsidiary of the company is not a domestic public company, when the subsidiary shall announce and declare the matters to the MOPS as set out in point 4 in the preceding subparagraph, the company shall do it on its behalf.

#### Article X. Control Procedures for Endorsements/Guarantees Provided by Subsidiaries

- (I) If a subsidiary of the company (where subsidiaries and parent company as mentioned in the Operating Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers) proposes to provide endorsements/guarantees for others, the company shall order the subsidiary to establish the Operating Procedures for Endorsements/Guarantees in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, and conduct the endorsements/guarantees according to the operating procedures set. However, net worth refers to the net worth of the parent company. If the financial statements of a public company are prepared in accordance with the International Financial Reporting Standards (IFRS), the term "net worth" as mentioned in the Operating Procedures refers to the equity attributable to the owner of the parent company as specified in the balance sheet prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (II) Subsidiaries shall prepare a detailed list of endorsement/guarantee amount provided for others in the previous month before the 10th day of each month, and submit to the company for reference.
- (III) The audit unit of the company shall list the endorsements/guarantees provided by subsidiaries as one of the monthly audit items, The implementation of this audit shall be listed as a necessary item when reporting audit operations to the Board of Directors and Supervisors.

#### Article XI. Penalties

Where the company's managers and primary personnel violate the Operating Procedures, the violation shall be submitted for assessment in accordance with the company's Regulations Governing Personnel Management and Employee Handbook; a penalty will be imposed according to the severity of the violation.

#### Article XII. Implementation and Amendment

Upon approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and reported to the Shareholders' Meeting for approval. If any Director has an objection, where such opinions are documented or issued through written statements, the company shall submit the objection to each supervisor and report to the Shareholders' Meeting for deliberation. The same applies to any amendment.

In addition, when the Operating Procedures are submitted to the Board of Directors for deliberation as mentioned in the preceding paragraph after Independent Directors

are elected, the opinions of all Independent Directors shall be fully considered, and their objection or reservation and reasons for objection shall be listed in the Board meeting minutes.

### III. Control Points

1. Do the entity for which an endorsement/guarantee is provided and the limit on the amount of endorsement/guarantee comply with company rules and regulations?
2. Has the verification of endorsement/guarantee been approved by the Board of Directors?
3. Is the verification of endorsement/guarantee handled in accordance with the Operating Procedures for Endorsements and Guarantees?
4. Is the verification of seal for endorsement/guarantee handled in accordance with the company's Operating Procedures for Endorsements and Guarantees?
5. Is the information on the Endorsement/Guarantee Application Form consistent with that on the detailed list of endorsement/guarantee amount upon examination?
6. Are matters related to public announcement and declaration handled in accordance with the relevant regulations set forth by the competent authority?
7. Is the control procedure for endorsements/guarantees provided by subsidiaries handled in accordance with the regulations of the parent company?

### IV. Attachments

1. Endorsement/Guarantee Application Form/Withdrawal Form
2. Details of Endorsement/Guarantee Amount
3. Endorsement/Guarantee Memorandum Book

**All Ring Tech Co., Ltd.**  
**Rules and Procedures of the Board of Directors' Meeting (Before  
Amendments)**

Article 1. (Basis for the Rules and Procedures)

In order to establish efficient governance of the directors to improve supervision and strengthen management, the Company has set up the Rules and Procedures of Directors' Meetings in accordance with Article 2 of the "Regulations Governing Procedure for Board of Directors' Meetings of Public Companies."

Article 2. (Scope of the Rules and Procedures)

Meeting regulations, the main agenda, operational procedures, particulars to be specified in the meeting minutes, public announcements, and other compliance matters shall be handled in accordance with the Rules and Procedures of Directors' Meetings.

Article 3. (Convening directors' meeting and notice of meeting)

Directors' meetings shall be convened quarterly.

The reasons for calling a Board meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The Company shall notify the directors of a directors' meeting in writing, or by e-mail or fax, with the consent of the addressees.

Article 4. (Notices and materials of the meeting)

The Finance Department of the Company is designated to handle the administrative matters relating to directors' meetings. The Finance Department shall prepare the agenda for directors' meetings and provide comprehensive meeting materials to be sent together with the meeting notice.

If a director finds the meeting materials insufficient, he/she may ask the Finance Department for supplemental materials. If a director finds the material of an proposal insufficient, he may postpone the resolution upon the approval of the Board.

Article 5. (Preparation of documents such as check-in books and the attendance by a director proxy)

When a directors' meeting is convened, a check-in book shall be prepared for attending directors to sign up at the meeting for future reference. A director attending via videoconferencing is deemed to have attended in person.

All directors shall attend directors' meetings in person. If a director is unable to attend in person, he may, in accordance with the Articles of Incorporation, appoint another director to attend as proxy. A director appointing another director to attend a directors' meeting on his behalf shall in each case provide a written authorization detailing the scope of authorized rights related to the convening reasons.

The director proxy under the preceding paragraph shall represent one director only.

Article 6. (Guidelines for location and time of directors' meeting )

A directors' meeting shall be held at the premises of the Company and at office hours, or at a suitable location and at a time convenient to all directors.

Article 7. (Chair and deputy of directors' meeting)

Chairman of the Board shall convene directors' meetings and preside. The first meeting of newly-elected directors shall be convened and chaired by the director who represents the largest number of voting rights elected at the shareholders' meeting. If two or more directors are entitled to convene the meeting, they shall select from among themselves to do so.

When the Chairman of the Board is on leave or unable to exercise the powers of the Chairman, the vice Chairman shall act as proxy. If no vice Chairman has been appointed or the vice Chairman is also on leave or unable to exercise the power, the Chairman shall appoint a managing director to act as proxy. If no managing directors have been appointed, the Chairman shall appoint a director to act as proxy. If the Chairman did not appoint a proxy, the managing directors or the directors shall select from among themselves to serve as proxy.

Where the board of directors is convened by more than half of the directors (including when the first board of directors of each term is convened by more than half of the directors elected by themselves), the directors shall elect one person to act as chairman.

#### Article 8. (Directors' meeting materials, guests and the convening of the meeting)

When a directors' meeting is convened, the Finance Department shall prepare relevant information for participating directors to review at any time. When convening a directors' meeting, the Company may, in view of the meeting agenda, notify personnels of the relevant departments or subsidiaries to attend the meeting as guests. When necessary, Aurora may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements. Provided, however, that they shall leave the meeting when deliberation or voting takes place.

When a majority of the directors have arrived near the appointed meeting time, the chair may call the meeting to order.

If half of the directors do not attend at the time of the meeting, the chair may announce a postponement, provided that no more than two such postponements are made. Otherwise, the chair shall re-convene a meeting in accordance with the procedure as dictated in Paragraph 2, Article 3.

The term "the directors" as referred to in the preceding paragraph and in Subparagraph 2, Paragraph 2, Article 16, refer to the directors actually in office.

#### Article 9. (Records or recordings of directors' meetings)

The directors' meeting shall be recorded with audio or video throughout the course of the meeting, and shall be kept in electronic files for at least 5 years.

If a lawsuit concerning the resolutions of the Board of Directors occurs before the retention period as referred to in the preceding paragraph expires, the relevant audio or video files shall continue to be retained; the provisions in the preceding paragraph shall not apply.

When using videoconferencing, the audio and video recordings of the meeting shall be part of the meeting minutes and be kept permanently.

#### Article 10. (Meeting content)

The content of the directors' regular meeting shall include at least the following:

##### I. Report Items:

- (I). Minutes of the last meeting and actions arising.
  - (II). Reporting on important financial and business matters.
  - (III). Reporting on internal audit activities.
  - (IV). Other important matters to be reported.
- II. Discussion Items:
- (I). Items discussed and continued from the last meeting.
  - (II). Items for discussion at this meeting.
  - (III). Questions and Motions

Article 11. (Discussion of Proposals)

The Board of Directors shall conduct a meeting according to the agenda as specified in the meeting notice. The agenda may be altered with the approval of a majority of the directors attending the meeting.

The chair shall not declare the meeting adjourned without the approval of a majority of the directors attending the meeting.

During a directors' meeting, if the directors sitting at the meeting do not constitute a majority of the attending directors, then by the request of the sitting directors, the chair shall declare a suspension of the meeting, under the provisions to which Paragraph 3, Article 8 shall apply *mutatis mutandis*.

After a director has finished his speech, the chair may respond in person or appoint a relevant personnel or an attending professional to provide relevant information.

If a director has repeated his statements on a agenda or has diverged from the agenda, to the extent of affecting other directors' turn for speech or hindering the meeting process, the chair shall terminate the speech.

Article 12. (Matters to be discussed by the Board of Directors)

The following matters shall be discussed in the directors' meeting. Except in an emergency or for a good reason, these matters shall be set out in the meeting notice and may not be raised as extempore motions:

- I. Operating plan of the Company.
- II. Annual and semi-annual financial reports. With the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by certified public accountants (CPA).
- III. Adoption or amendment of the internal control system in accordance with Article 14 of the Securities Exchange Act (hereinafter referred to as the "Taiwan SEA").
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- V. The offering, issuance, or private placement of any equity-type securities.
- VI. Appointment or dismissal of a financial, accounting, or internal audit officer.
- VII. Donation to a related party or major donation to a unrelated party, with the exception of the donation of public interest designed for disaster relief of a major natural disaster. In

the latter case, the donation may be submitted for acceptance at the next meeting by the directors.

VIII. Any matters pertaining to the Article 14-3 of the Taiwan SEA, other regulations or bylaws to be approved at a shareholders' meeting or a directors' meeting, or any such matters as prescribed by the authority.

The term "related party" in Subparagraph 7 of the preceding paragraph refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" refers to any individual donation, or cumulative donations within one year to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1% of the net operating revenue or 5% of the paid-in capital, of the recent year, as stated in the CPA-attested financial report. (If the shares of foreign companies have no denomination or denomination per share other than NT\$10, the amount of the paid capital of this item is calculated as 2.5% of shareholders' equity. )

The term "within one year" as referred to in the preceding paragraph refers to a period of 1 year prior to the date of the current directors' meeting. The amount of donation already submitted to and passed by the directors are to be exempted.

Independent directors should attend or appoint other independent directors to attend the Board of Directors for Article 14 of Article 14. In order to promote independent directors' supervisory role and practice flexibility, it is required that one independent director at least shall attend in person in the Board meeting to engage more fully with the operation of the Company. Any objection or reservation any independent director may have shall be specified in the proceedings of the Board meeting. If any independent director wishing to express his or her objection or reservation can not attend the Board meeting, a written statement shall be provided and included in the proceedings of the Board meeting unless there is good reason to do otherwise.

The above shall not be proposed by provisional motion, except for emergencies or justification.

Article 13. (Vote "I")

When the chair at a directors' meeting judges that a proposal has been sufficiently discussed, the chair may terminate the discussion and call for a vote.

When voting on a proposal, if the chair inquires of all the attending directors and finds no objection, the proposal is deemed approved. If the chair finds any dissent, the proposal shall be brought to a vote.

The chair shall decide to adopt which of the following voting methods. In case of a dissent by an attendee, the voting method shall be decided by a majority of the attending directors.

I. By a show of hands or a voting machine.

II. By voicing votes.

III. By ballots.

IV. By a method selected at Aurora's discretion.

"All the attending directors" as referred to in the preceding paragraph exclude those directors prohibited from exercising voting rights in accordance with Paragraph 1, Article 15.

Article 14. (Voting "II" Voting, scrutinizing ballots and ballots counting method)

Except as otherwise stated in the Securities Exchange Act or in the Company Act, a resolution at a directors' meeting requires the approval of a majority of the attending directors who constitute a majority of the directors.

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. If one of the above proposals is approved by vote, the rest is deemed rejected, and no further vote is required.

The chair shall appoint vote-monitoring and vote-counting personnels if necessary, provided that all vote-monitoring personnels are directors.

The voting results shall be reported during the meeting and recorded in the minutes.

Article 15. (Director's interest avoidance system)

The following directors or corporates of other representatives shall abstain during the deliberation of the matters listed below. They shall have the right to provide opinions and answer to the inquiry, but shall not be allowed to join the discussion and vote. They shall abstain during the discussion and ballot, and shall not represent other directors to exercise their voting rights :

- I. Those who have interests with a legal entity or its legal representative. They shall report at the directors' meeting the key content of the interests that may pose a potential harm to the interests of the Company.
- II. Those that the directors consider to abstain.
- III. Those that the Board of Directors decide to abstain.
- IV. Where the spouse, a relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the board of directors, the director shall be deemed to have a personal interest in the matter.

The resolution by the Board of Directors shall apply to directors who are not permitted to exercise their voting rights in accordance with Paragraph 3, Article 206 of the Company Act, under which the provisions of Paragraph 2, Article 180 shall apply mutatis mutandis.

Article 16. (Meeting Minutes and Signatures)

Proceedings of the Board of Directors shall be recorded in the meeting minutes. The minutes shall detail the following matters:

- I. Session (or year), time, and place of meeting.
- II. Name of the meeting chair.
- III. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
- IV. Names and titles of guests.
- V. Name of the meeting secretary.
- VI. Matters reported on.
- VII. Matters discussed: Resolution methods and results; summary of the statement by directors, supervisors, experts, and other personnel; names of directors involved in the interests as referred to in the first paragraph of the preceding article;

description of the important content of the interests; reasons for abstention or no abstention, and how a director has abstained; objections and/or reservations with records or written statements; and written opinions issued by independent directors in accordance with Paragraph 4, Article 12.

VIII. Extempore motion: Names of sponsors; resolution methods and results; summary of the statement by directors, supervisors, experts, and other personnel; names of directors involved in the interests as referred to in the first paragraph of the preceding article; description of the important content of the interests; reasons for abstention or no abstention, and how a director has abstained; objections and/or reservations with records or written statements; and written opinions issued by independent directors.

IX. Other matters required to be recorded.

In case of any of the following matters, the Board of Directors shall, in addition to specifying the matter in the minutes, report to the Market Observation Post System designated by the Financial Supervisory Commission of the Executive Yuan within 2 days from the date of the Board of Directors:

- I. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
- II. Any matter that has not been passed by the Company's Audit Committee but has been adopted with the approval of two-thirds or more of all directors. The minutes of a Board meeting shall bear the signature or seal of both the meeting chair and the minute taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be properly kept indefinitely as important records by the Company. The preparation and distribution of the minutes shall be done by means of public announcement. In addition, the check-in book of a directors' meeting is considered part of the minutes and shall be kept permanently.

Article 17. (Principle of authorization of the Board of Directors)

Except for the matters as set forth in Paragraph 1, Article 12 to be discussed at a directors' meeting, the Board of Directors shall authorize the Chairman of the Board to exercise the power on their behalf during the meeting recess in accordance with the Articles of Incorporation or regulations of the Company. The contents or matters of authorization are as follows:

- (I). The Chairman of the Board is authorized to make a decision in advance regarding the Company's endorsement within 20% of its current net worth, and then submits the report to the next directors' meeting for approval.
- (II). When the Company engages in derivative commodity transactions, it shall appoint a relevant personnel to handle the matters in accordance with the procedures for dealing with derivative commodity transactions, but it shall report to the Board of Directors afterwards.

Article 18. (Executive Board)

The board of directors has executive directors, and the meeting of the executive directors shall use Article 2, Article 3, Article 4 to Article 6, Article 8 to 11, Article 13 to 16.

Article 19. (Miscellaneous)

The establishment and revision of the procedures of the Rules shall be approved by the Board of Directors.

The first amendment was made on December 29, 2006 by the Board of Directors.

The 2nd amendment was made on March 14, 2008 by the Board of Directors.

The 3rd amendment was made on February 20, 2012 by the Board of Directors.

The 4th amendment was made on December 25, 2012 by the Board of Directors.

The 5th amendment was made on August 7, 2017 by the Board of Directors.

The 6th amendment was made on February 26, 2020 by the Board of Directors.

**All Ring Tech Co., Ltd.****Measures for the First Time Share Repurchase and Transfer to Employees in 2022**

## Article 1. Purpose

To motivate employees and deepen their loyalty, Measures for Share Repurchase and Transfer to Employees of the company are set forth in accordance with subparagraph 1 of paragraph 1 of Article 28-2 of the Securities and Exchange Act and “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” issued by Financial Supervisory Commission. The Company shall buy back (hereinafter referred to as treasury shares) and transfer the stocks to employees in such a way that is specified by the Measures, except as other relevant laws and regulations say otherwise.

## Article 2. (Types of stocks to be transferred; details on the rights and restrictions attached to those stocks)

The stocks to be transferred to employees are common stocks, which carry the same rights and obligations as do those currently traded in the open market, except as the Measures or other relevant laws and regulations say otherwise.

## Article 3. (Transfer period)

The shares purchased by the company shall be transferred to the employees once or in several times within five years from the date of repurchase in accordance with the provisions of these Measures.

## Article 4. (Qualifications of the transferor)

All employees of the company who have been in office for three months before the base date of subscription for allotment of shares or have made special contributions to the company and have been reported to the Board of Directors for approval shall have the right to subscribe for treasury shares. The term "employee" as used in these Measures refers to the full-time employees who have received salaries of the company and its subsidiaries at home and abroad that have been directly or indirectly held for more than 50% of the voting shares. These Measures are not applicable to part-time employees, temporary employees, short-term working students and outsourcing workers.

## Article 5. (Procedure of transfer)

The number of shares an employee may subscribe for is based on the employee's job grade, service seniority, special contribution to the company, taking into account the factors such as the total number of repurchased shares held by the company on the subscription base date and the upper

limit of the number of shares subscribed by a single employee as the calculation standard. The number of shares an employee may subscribe for is determined and reported to the Board of Directors for approval. To strengthen the reward mechanism, according to the transfer target for managers and non-managers, the audit procedures are as follows:

- I. Manager: The transfer subject to managers of the Company or overseas subsidiaries holding directly or indirectly more than 50% of voting rights shall be reported to the Company's Remuneration Committee for discussion and then to the Board Resolution.
- II. Non-Manager: The transfer of non-managers of the Company or overseas subsidiaries holding directly or indirectly more than 50% of the voting rights shall be reported to the Audit Committee of the Company for discussion and then to the Board of Directors resolutions.

Article 6. The transfer of the repurchased shares of the company to employees shall be handled in accordance with the following procedures:

- I. Company stock must be repurchased according to board meeting resolution, announcement, and declaration within the implementation period.
- II. The board must set and announce the employee stock subscription reference date, standards for number of subscribed shares obtained, subscription payment period, and rights and limitations according to this regulation.
- III. Registering the transfer of the stocks after verifying the actual number of stocks subscribed.

Article 7. (Price per share transferred)

For transfer of repurchased shares to employees this time, the transfer price shall not be lower than the average price of actual repurchase. Only when the issued common stock of the company increases or decreases before transfer, it shall be adjusted according to the increase or decrease ratio of the issued shares.

Adjustment formula for transfer price:

Adjusted transfer price = average price of the actually repurchased shares x total number of common shares issued at the time of reporting the share repurchase / total number of common shares issued before transferring the repurchased shares to the employee.

Article 8. (Rights and obligations after the transfer)

The buyback stocks, unless otherwise specified, shall carry the same rights and obligations as do the original stocks after the registration of the transfer is completed.

Article 9. (Other matters relating to the rights and obligations of the Company and its employees)

When the company repurchases shares and transfers them to employees, the taxes and expenses incurred shall be borne by the company or employees respectively in accordance with relevant laws and regulations.

Article 10. (Other Matters)

The shares purchased by the company for the purpose of transferring shares to employees shall be transferred in full within five years from the date of repurchase. If the shares are not transferred within the time limit, they shall be deemed as unissued shares of the company, and the registration for change of eliminating shares shall be handled in accordance with the law.

Article 11.

These Measures shall come into force after being approved by the Board of Directors, and shall be reported to the latest shareholders' meeting. The same shall apply for amendment.

Article 12.

These Measure were established on August 9, 2022.

## Share Ownership of Directors

I. The amount of legally held shares of the current directors of the Company are as follows:

Ordinary shares issued by the company	83,323,902 shares
Shares legally held by all Directors	8,332,390 shares

If the Company has elected two or more independent directors, the share ownership figures calculated at the rates (10%) set forth in the Rules for all directors, other than the independent directors, shall be decreased to 80 percent (6,665,912 shares).

II. The shareholding of individual and all directors in the shareholders' list as of the book closure date.

The status of current shareholding is listed follows:

**Base date: April 17, 2023**

Title	Name	Current Shareholding	
		Shares	Percentage of Shareholding
Chairman of the Board	Ching-Lai Lu	3,757,283	4.51%
Director	Hsin-Yao Cheng	413,513	0.50%
Director	Chien-Chang Chen	2,732,431	3.28%
Director	Li Chiao Investment Co., Ltd.	7,364,625	8.84%
Director	Hanlin Construction Co., Ltd.	636,000	0.76%
Director	Keen Honest Investment Limited	1,710,000	2.05%
Independent Director	Ming-Hsien Li	0	0.00%
Independent Director	Cho-Hua Kuang	0	0.00%
Independent Director	Chang-Jen Chen	0	0.00%
Subtotal of Directors		16,613,852	19.94%