

Stock code: 6449



APAQ Technology Co., Ltd.

2023 Regular Shareholders' Meeting

Agenda Handbook

June 12, 2023

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Procedures for 2023 Regular Shareholders' Meeting

- I. Meeting Called to Order**
- II. Chairperson Remarks**
- III. Matters Reported On**
- IV. Proposals**
- V. Discussions**
- VI. Extraordinary Motions**
- VII. Adjournment**

Agenda for 2023 Regular Shareholders' Meeting

Method of the Meeting: Entity and video assistance

Time: 9:00 a.m., Monday, June 12, 2023

Location: 202 Vocational Training Room, 2nd Floor, Administrative Service Center,
Jhunan Science Park, Hsinchu Science Park Bureau, Ministry of Science and Technology
(No. 36-2, Keyan Rd., Zhunan Township, Miaoli County 350, Taiwan (R.O.C.))

Video conferencing platform: TDCC

<https://www.stockvote.com.tw/evote/index.html>

Chapter 1 MC Reports Number of Shares on Attendance.

Chapter 2 Chairperson Remarks

Chapter 3 Contents of Meeting:

(I) Matters Reported On

1. 2022 Business Report.
2. Audit Committee's Audit Report on the 2022 Business Report and Financial Statements.
3. Report on material transactions of the Company's investments, financing endorsements, and derivatives overseas and in China in 2022.
4. Report on the distribution status of the remuneration to employees and directors.
5. Report on the execution of treasury stock repurchase.

(II) Proposals

1. 2022 Business Report and Financial Statements.
2. 2022 Earnings Distribution Plan.

(III) Discussion and Election Matters

1. The eighth election of directors.
2. Proposal of release the prohibition on directors from participation in competitive business

(IV) Extraordinary Motions and Proposals

Chapter 4 Adjournment

(I) Matters Reported On

I. 2022 Business Report.

Description: Please refer to Attachment I (page 11) of the Agenda Handbook for the Company's 2022 Annual Business Report.

II. Audit Committee's Audit Report on the 2022 Business Report and Financial Statements.

Description: Please refer to Attachment II (page 12~13) of the Agenda Handbook for the Audit Committee's Audit Report.

III. Report on material transactions of the Company's investments, financing endorsements, and derivatives overseas and in China in 2022.

Description: Please refer to Attachment III (page 14~16) of the Agenda Handbook for the material transactions of the Company.

IV. Report on the distribution status of the remuneration to employees and directors.

Description:

1. The Company shall appropriate no less than 8% of current year profit as employee bonuses by cash or shares upon approval of the board of directors. Employee bonuses may be issued to employees in affiliate companies that meet certain criteria. The Company may appropriate no more than 3% of the above profit as Directors' remuneration upon approval of the board of directors. The distribution plan of the remuneration to employees and directors shall be reported at the shareholders' meeting.
2. The Company's profit for 2022 was NT\$427,383,739. It is proposed to allocate NT\$36,374,914 to employees as remuneration and NT\$10,698,505 to directors. A total of NT\$47,073,419 will be paid in cash.

V. Report on the execution of treasury stock repurchase.

Description:

- (I) On Aug. 9, 2022, the Directors resolved as follows:
 1. Purpose of repurchase: transfer of shares to employees
 2. Maximum number of shares to be repurchased: 1,000,000 ordinary shares
 3. Maximum amount of shares to be repurchased: NT\$1,582,791,103
 4. Repurchase period: Aug. 10, 2022 to Oct. 07, 2022
 5. Repurchase price range: NT\$27.93 to NT\$63.48 per share
 6. Repurchase method: repurchase from self-priced securities central trading market

(II) The implementation is as follows:

1. The actual repurchase period: Sep. 05, 2022 to Oct. 05, 2022
2. Result of repurchase of the Company's shares: Completed
3. Number of shares repurchased: 1,000,000 ordinary shares
4. Total repurchase amount: NT\$40,373,628
5. Average repurchase price per share: NT\$40.37 per share
6. Accumulated holdings of the Company: 1,000,000 shares.
7. Cumulative number of the Company's shares held as a percentage of the Company's total issued shares: 1.12%

(II) Proposals

Proposal I (Proposed by the board of directors)

Subject: The 2022 Business Report and Financial Statements submitted for adoption.

Description: The Consolidated Financial Reports and Parent Company Only Financial Reports for the year 2022 have been adopted by resolution by the board of directors on February 22, 2023, audited by the CPAs Cheng-Hsueh Chen and Wan-Yuan Yu of KPMG Taiwan entrusted by the board of directors. Please refer to Attachment I, IV and V (page 11 and page 17~30) of the Agenda Handbook for the Business Report, Consolidated Financial Reports and Individual Financial Statements.

Resolution:

Proposal II (Proposed by the board of directors)

Subject: The 2022 Earnings Distribution Plan is submitted for adoption.

Description:

1. According to Article 27-1 of the Company's Articles of Incorporation, the earnings for the year 2022 will be distributed as follows:


APAQ Technology Co., Ltd.
2022 Earnings Distribution Table

(Unit: NT\$)

Item	Amount	Remarks
Retained Earnings at the Beginning of Period	522,032,125	
Add: Net Income for 2022	338,431,925	
Add: Reversal of special reserve	48,605,130	
Less: Legal Reserve Appropriated for 2022	33,843,193	
Distributable Earnings	875,225,987	
Distributable Items:		
Shareholder Dividends (Cash)	202,293,083	NT\$2.3 per share
Retained Earnings at the end of Period	672,932,904	

Note: The number of outstanding shares is 87,953,514.

Chairman:



Manager:



Accounting Manager:



2. As for the above-mentioned distributable items of shareholders' cash dividend, if the number of shares outstanding of the Company is affected by the change

of the capital stock, and the dividend ratio of the shareholders is changed and needs to be revised, it is proposed that the Chairman shall be authorized to make the corresponding adjustment.

3. The cash dividends shall be calculated according to the distribution ratio to the nearest NT\$ 1 (round off). If the total fractional amount is insufficient to be less than NT\$ 1, it shall be incorporated into other income.
4. As for the dividend distribution, the Chairman shall be authorized to set the ex-dividend date, distribution date and other relevant matters.

Resolution:

(III) Discussions and election matters

Proposal I (Proposed by the board of directors)

Cause of action: The eighth election of directors, to be submitted for election.

Description: 1. The term of office of the current directors expires on Jun. 16, 2023. It is intended that the election of all directors will be advanced at this shareholders' meeting, and the original directors will be terminated upon the election of the new directors. The term of office of the new eighth directors will be three years from Jun. 12, 2023 to Jun. 11, 2026.

2. The 7 directors, including 3 independent directors, were re-elected under a candidate nomination system, and the list of candidates was reviewed and approved by the Board of Directors on Apr. 25, 2023:

Serial number	Category	Name of candidate	Main education	Experience	No. of Shares Held
1	Directors	Cheng, Tun-Jen	PhD in Materials at National Cheng Kung University (NCKU)	Chairman of INPAQ Technology Co.,Ltd Chief Executive Officer of INPAQ Technology Co.,Ltd Chairman of APAQ Technology Co.,Ltd	3,117,358
2	Directors	Huacheng Venture Capital Co., Ltd. Representative: Hsu, Hsien-Yueh	EMBA of National Chengchi University (NCCU)	Representative of the corporate director, uPI semiconductor Co.,Ltd Director and Co-Chief Executive Officer of ASUSTeK Computer Inc. Representative of the Corporate Director of AAEON Technology Inc.	10,668,012
3	Directors	Lin, Ching-Feng	PhD in Chemical Engineering, Iowa State University, USA	Chief Vice President of Yonggang Technology Co.,Ltd Chief Vice President of LITON Technology Co.,Ltd Chief executive officer of APAQ Technology Co.,Ltd Director of APAQ Technology Co.,Ltd	1,002,000
4	Directors	Hsieh, Ming-Yen	Master of Business Administration, Western Pacific University, USA	Chief executive officer of Tai Tech Advanced Electronics Co.,Ltd General Manager of Tai Tech Advanced Electronics Co.,Ltd Chairman of Tai Tech Advanced Electronics Co.,Ltd	0
5	Independent Director	Liu, Chung-Ming	Lungmen Executive Program (GE, Crotonville) Leland Stanford Junior University Management	Independent director of APAQ Technology Co.,Ltd Chairman of Innovative Industrial Technology Transfer Co., Ltd. President of Industrial	0

Serial number	Category	Name of candidate	Main education	Experience	No. of Shares Held
			College Stanford Executive Program (SEP) M.S., Ph.D. in Chemistry, Columbia University, USA Bachelor of Chemistry, National Tsing Hua University (NTHU)	Technology Research Institute of Foundation Corporation Chairman of the Chemical Society Located In Taipei General Director of Material and Chemical Research Laboratories of Industrial Technology Research Institute (ITRIMCL) Chairman, Polymer Society of the Republic of China Chairman of China Society of Materials Science Chairman of Taiwan flat panel display materials and components industry association General Director of Material and Chemical Research Laboratories of Industrial Technology Research Institute (ITRIMCL)	
6	Independent Director	Wu, Yung-tsai	M.S., Graduate Institute of Management, National Taiwan University of Science and Technology	General Manager of Inventec Co., LTD	0
7	Independent Director	Chu, Te-hsiang	New Taipei Municipal Taishan Senior High School/Dept. of Mechanical Engineering	Chairman of LOTES Co.,Ltd	0

Resolution:

Proposal III (Proposed by the Board of Directors)

Cause of action: The lifting of the non-compete restriction on the directors is hereby proposed for discussion.

Note: According to Article 209 of the Company Act, if a director performs an act for himself/herself or for another person that falls within the scope of the Company's business, he/she shall explain the material content of his/her act to the shareholders' meeting and obtain permission to propose to the shareholders' meeting to approve the act of the new director, provided that the act is not detrimental to the interests of the

Company, and is not restricted by Article 209 of the Company Act. The proposed release is as follows:

Title	Name	Concurrently the company name and position
Directors	Cheng, Tun-Jen	Director of INPAQ Technology Co.,Ltd Chairman of Bioptik Technology Inc Supervisor and representative of Ding Mao Optoelectronics Co., Ltd. Supervisor and representative of Datronix Intelligence Co., Ltd. Legal director representative of Steady Beat Co.,Ltd Director, JinJiawang Financial Management Co., LTD Director of Success Innovation Management Consultants LTD. Legal director representative of Beike Zhi Xing venture capital Co.,Ltd Legal director representative of Phoenix Innovation venture capital Co.,Ltd Legal director representative of Phoenix II Innovation venture capital Co.,Ltd Director of Xinshidai Technology Co. LTD Director of INPAQ Technology (Suzhou) Co., Ltd., INPAQ Technology (China) Co., Ltd., Director of Jiabang Trading (Suzhou) Co., LTD., and INPAQ Trading (Suzhou) Co., LTD
Directors	Representative of Huacheng Venture Capital Co., Ltd. Hsu, Hsien-Yueh	Representative of the corporate director, uPI semiconductor Co.,Ltd Director and Co-Chief Executive Officer of ASUSTeK Computer Inc. Representative of the Corporate Director of AAEON Technology Inc. Representative of the corporate director, Huacheng Venture Capital Co., Ltd. Representative of the corporate director, ASUS COMPUTER INTERNATIONAL
Directors	Lin, Ching-Feng	Legal director representative of AiPAQ technology Co.,Ltd
Directors	Hsieh,Ming-Yen	Chairman and General Manager of Qingbang Electronic Components (Sihong) Co., LTD Chairman, General Manager and Director of Tai Tech (Kunshan) Co.,Ltd Chairman of Fixed Rock Holding Limited Chairman of North Star International Limited Chairman of Best Bliss Investments Limited Superworld Holdings (S) Pte. Ltd. Director Chairman of Yellow River Investment Co., Ltd. Director of Xuji Technology Co., LTD Chairman of Xie Hengde Investment Co., Ltd. Chairman of Yizhi Investment Co., Ltd. Director of Lichang Advanced Technology Co., LTD
Independent Director	Liu, Chung-Ming	Independent director of Shangwei International Investment Co., LTD Independent director of Jingtian Biotechnology Co., LTD
Independent Director	Wu, Yung-tsai	General Manager of Inventec Company Chairman of Shanghai Yingxianda Chairman of Inventec Shanghai and Inventec Beijing Inventec Intelligence, Inventec Investments, Inventec Group (Hong Kong), Inventec (Cayman), Inventec Technologies (Cayman), Inventec Holdings (North America), Inventec (USA) Corp., Inventec Manufacturing (North America) Corp., Inventec Configuration (North America) Corp., Inventec Distribution (North America) Corp. and IEC Technologies, S.de R.L.de C.V. Directors
Independent Director	Chu, Te-hsiang	Chairman of LOTES Co.,Ltd Chairman of Jiaming Investment Co., LTD Supervisor of Jinling investment Co.,, Ltd. Chairman of LOTES INVESTMENT Ltd Chairman of LOTES TEC (Suzhou) Co., Ltd Vice Chairman of Panyu LOTES TEC Industry Co., Ltd Chairman of Jiayou Investment Co., LTD Chairman of EMEME ROBOT CO., LTD. Chairman of LINTES TECHNOLOGY CO., LTD.

Title	Name	Concurrently the company name and position
		Chairman of Techon Investment Co., LTD

Resolution:

(IV) Extraordinary Motions

(V) Adjournment

APAQ Technology Co., Ltd.
2022 Business Report

I. Business Policy, Implementation Overview and Profitability and Development Analysis

APAQ Technology is committed to the development of conductive polymer materials technology and components, with the best quality and cost, to serve global customers, as an international professional solid state capacitor manufacturing company.

In 2022, due to multiple challenges such as the global economy, the epidemic and geopolitics, the demand for terminal consumer electronics was severely reduced. Since the second quarter, customers began to adjust inventory, which affected shipments and revenue.

Stacked (CAP) solid state capacitor equipment capacity is in place and will be part of the 2023 revenue growth strategy and drive overall revenue growth.

II. Implementation Results of Business Plan

Unit: NTD thousands

Item	2022	2021	Growth Rate
Net operating revenue	2,488,694	2,822,408	-11.82%
Gross profit	648,954	746,862	-13.10%
Operating profit	272,010	402,471	-32.41%
Net income after tax (NIAT)	338,432	306,367	10.46%

III. Research Development Status and General Condition of Implementation

Cloud, HPC, edge server continue to grow, electric vehicle (xEV) to meet the market explosion. In 2023, APAQ Technology will continue to develop High reliability products, small size & thin shape, High Ripple & Low ESR winding (solid/mixed/liquid) capacitors and stacked solid capacitors to enhance competitiveness in the high-level market.

IV. Vision of Continuous Growth

Thanks to the full support from our shareholders, the team has been able to obtain sufficient resources in the past year to continue to complete the productivity construction and the development of new products, which has laid a solid foundation for the Company's sustainable development. As the Company has entered the stage of rapid growth at present, we sincerely request the shareholders' continuous support and recognition.

Chairman:



Manager:



Accounting Manager:



APAQ Technology Co., Ltd.
Audit Committee's Audit Report

The board of directors shall prepare and submit the Company's 2022 Annual Business Report, Consolidated Financial Reports and Parent Company Only Financial Reports, in which the Consolidated Financial Reports and Parent Company Only Financial Reports have been audited by the CPAs Cheng-Hsueh Chen and Wan-Yuan Yu of KPMG Taiwan, with the written audit report issued. The aforementioned Business Report, Consolidated Financial Reports and Parent Company Only Financial Reports have been audited by the Audit Committee and deemed as appropriate, and reported as above in accordance with Article XIV-IV of Securities and Exchange Law and Article 219 of the Company Act for approval.

Sincerely,

2023 Regular Shareholders' Meeting of APAQ TECHNOLOGY CO., LTD.

Convener of the Audit Committee:



February 22, 2023

**APAQ Technology Co., Ltd.
Audit Committee's Audit Report**

The Board of Directors shall prepare and submit the company the proposal of 2022 earnings distribution Statement, which, upon examination by the Audit Committee, is deemed not inconsistent. The proposal is reported above in accordance with Article XIV-IV of the Securities Exchange Law and Article 219 of the Company Law. Please check and approve.

Sincerely,

2023 Regular Shareholders' Meeting of APAQ TECHNOLOGY CO., LTD.

Convener of the Audit Committee:

Handwritten signature in Chinese characters, reading "刘申明" (Liu Zhongming).

April 25, 2023

APAQ Technology Co., Ltd.

Material Transactions of the Company's investments, financing endorsements, and derivatives overseas and in China in 2022.

(I) Information on significant transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the merged company shall disclose the following information concerning material transactions:

1. Financing provided to others:

Number	Lending company	Loan to object	Subject	Whether A Related Party	Highest balance in current period	End-of-period balance	Amount Actually Drawn	Interest rate range	Nature of Loan	Amount of Business Transaction	Reason for short-term financing	Provision for Loss Allowance	Collateral Name	Collateral Value	Limit on amount loaned to single party	Overall limit on amount of loan
0	The Company	APAQ Wuxi	Other receivables - related party	Yes	193,290	184,260	-	-	Business transaction	1,695,410		-		-	1,088,296	1,088,296
0	The Company	APAQ Hubei	Other receivables - related party	Yes	193,290	184,260	-	-	Short-term Financing	-	Business Needs of Subsidiary	-		-	1,088,296	1,088,296

Note 1: The amount of the Company's loan to an individual company or business with which the Company has business relationship shall be limited to the total value of the underlying transactions between the parties.

Note 2: Total amount of financing to external parties shall be limited to 40% of the equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by the CPAs in the most recent period.

2. Endorsement or guarantee provided to others:

No.	Name of Endorsement/Guarantee Provider	Endorsee/guarantee Corporate name	Relation	The Amount of Endorsements/Guarantees for a Single Enterprise	Highest balance to limit for this period	End-of-period balance to limit	Amount Actually Drawn	Amount of Endorsements/Guarantees by Property	Ratio of aggregate balance of endorsement/guarantee to net equity per latest financial statements	Overall limit on endorsement/guarantee	Endorser/guarantor is parent company	Endorser/guarantor is subsidiary	Endorsee/guarantee in mainland China
0	The Company	APAQ Wuxi	Subsidiary	2,720,740	225,505	214,970	-	-	7.90%	2,720,740	Y	N	Y
0	The Company	APAQ Hubei	Subsidiary	2,720,740	225,505	214,970	-	-	7.90%	2,720,740	Y	N	Y

Note 1: The amount of endorsement/guarantee for a single entity is limited to the amount of the Company's most recent consolidated financial statements audited by the CPA attributable to the parent company's owner's equity.

Note 2: The total amount of endorsements/guarantees to external parties shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by the CPAs in the most recent period.

3. Holding of marketable securities at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Name of Held Company	Type and Name of Marketable Securities	Relationship with the issuer of the Marketable Securities	Financial Statement Item	End of the Period				Remarks
				Shares	Carrying Amount	Shareholding ratio	Fair Value	
The Company	Walton Chaintech Corporation	None	Financial asset measured at fair value through other comprehensive profit and loss - current-	4,710	146,010	4.64%	146,010	
The Company	Foxfortune Technology Ventures Limited	None	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-current-	1,000	29,170	5.80%	29,170	
The Company	Inpaq Korea	None	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-current-	18	1,803	10.73%	1,803	
The Company	Chia-Lin Venture Capital Co., Ltd.	None	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-current-	1,800	16,794	3.64%	16,794	
The Company	Kuan Kun Electronic Enterprise Co., Ltd.	None	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-current-	3,770	66,584	5.39%	66,584	
The Company	Ching Chiao Technology Co., Ltd.	None	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-current-	240	2,510	3.20%	2,510	
The Company	Yuanxin Semiconductor Co., Limited	None	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-current-	800	28,160	8.00%	28,160	

4. Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital: None.

5. Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital: None.
6. Disposition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital: None.
7. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital:

Company Name	Name of the Counterparty	Relation	Transaction Details				Situation and reason of why transaction conditions are different from general transactions		Notes/Accounts Receivable or Payable		Remarks
			Purchase (Sale) Goods	Amount	As a Proportion of Total Goods Purchased (Sold)	Credit Granting Period	Unit Price	Credit Granting Period	Balance	Ratio to Total Notes/Accounts Receivable or Payable	
The Company	APAQ Wuxi	Subsidiary	Purchase	1,695,410	99%	Monthly statement for 60 days	-	Note 1	410,595	97.00%	Note 2
Apaq Wuxi	Apaq Hubei	Same parent company	Purchase	423,101	34%	Monthly statement for 120 days		Note 1	121,907	29%	Note 2

Note 1. The payment period of general suppliers ranges from 30 days to 90 days on the monthly statement, and the payment period for ApaQ Wuxi is 60 days and 120 days.

Note 2. Related transactions and closing balances have been eliminated from the consolidated financial statements.

8. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital:

Company of accounts receivable recognized	Name of the Counterparty	Relation	Balance of accounts receivables due from related party	Turnover rate	Overdue amount of accounts receivable from related party		Amounts received in subsequent period (Note 2)	Loss Allowance
					Amount	Treatment method		
APAQ Wuxi	The Company	Parent-subsidiary	410,595 (Note 1)	-	-	-	120,595	-

Note 1: It includes the receivables generated from sales of goods and lending of loans.

Note 2: It indicates the payment collection status up to the date of January 31, 2023

9. Derivative trading: None.
10. Business relation and important transactions between parent company and subsidiaries:

Number	Name of Trader	Counterparty	Relation with the Transacting Party	Transactions Situation			
				Subject	Amount	Terms of Transaction	As a Proportion of Total Consolidated Operating Revenue or Total Assets
0	The Company	APAQ Wuxi	Parent company to a subsidiary	Purchase	1,695,410	Monthly statement for 60 days	68%
0	The Company	APAQ Wuxi	Parent company to a subsidiary	Turnover	103,926	Monthly statement for 60 days	4%
0	The Company	APAQ Wuxi	Parent company to a subsidiary	Accounts receivable	118,155	-	2%
0	The Company	APAQ Wuxi	Parent company to a subsidiary	Accounts Payable	410,595	-	8%
1	APAQ Wuxi	APAQ Hubei	Subsidiary to subsidiary	Purchase	423,101	Monthly statement for 120 days	17%
1	APAQ Wuxi	APAQ Hubei	Subsidiary to subsidiary	Turnover	22,053	Monthly statement for 120 days	1%
1	APAQ Wuxi	APAQ Hubei	Subsidiary to subsidiary	Accounts Payable	121,907	-	2%

(II) Information on reinvestment:

The information on investees is as follows (excluding the investee companies in the Mainland China):

Name of investees	Location	Primary Business	Major Business Items	Original Investment Amount		Ownership at end of period			Highest ownership during the period	Current Income (Loss) of the Investee	Investment Profit or Loss Recognized in the Current Period	Remarks
				End of the Period	End of Last Year	Shares	Ratio	Carrying Amount				
The Company	APAQ Samoa	Samoa	Holding company	1,377,960	1,377,960	44,504	100.00%	2,131,340	100.00%	148,768	135,884	Subsidiary, Notes 1 and 2
The Company	AiPAQ Technology	Taiwan	Production and sales of electronic components, etc.	30,000	30,000	3,000	30.00%	25,671	30.00%	(12,554)	(3,766)	Associate

Name of investees	Location	Primary Business	Major Business Items	Original Investment Amount		Ownership at end of period			Highest ownership during the period	Current Income (Loss) of the Investee	Investment Profit or Loss Recognized in the Current Period	Remarks
				End of the Period	End of Last Year	Shares	Ratio	Carrying Amount				
The Company	JDX Technology	Taiwan	Production and sales of electronic components, etc.	7,000	7,000	700	45.16%	3,334	45.16%	(5,962)	(2,693)	Associate

Note 1. Share of profit/loss includes adjustments for upstream transactions between affiliates.

Note 2. Related transactions and closing balances have been eliminated from the consolidated financial statements.

(III) Information on investments in Mainland China:

1. Information on reinvestments in Mainland China

Investee in Mainland China	Major Business Items	Paid-in Capital (Note 4)	Investment Method	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Remittance or Recovery of Investment the Current Period		Ending Balance of Accumulated Outflow of Investment from Taiwan	Current Gains/Losses of Investee	The Company's Percentage of Direct or Indirect Ownership	Highest ownership during the period	Investment Profit or Loss Recognized in the Current Period	Ending Book Value of Investment	Repatriated Investment Income As of the End of Current Period	Remarks
					Outward Remittance (Note 4)	Recovery								
APAQ Wuxi	Production and sales of electronic components, etc.	1,220,970 (USD41,700 thousand)	Note 1	1,293,113 (USD41,700 thousand)	-	-	1,293,113 (USD41,700 thousand)	155,289	100.00%	100.00%	155,289 Note 3	2,128,810	-	
Shenzhen Gather Electronics Science Co., Ltd.	Production and sales of electronic components, etc.	44,094 (RMB9,800 thousand)	Note 1	44,898 (RMB9,800 thousand)	-	-	44,898 (RMB9,800 thousand)	1,694	35.00%	35.00%	1,199 Note 3	51,618	-	
APAQ Hubei	Production and sales of electronic components, etc.	237,243 (USD8,000 thousand)	Note 2	176,263 (USD6,000 thousand)	55,699	-	231,962 (USD8,000 thousand)	21,248	100.00%	100.00%	19,741 Note 3	314,897	-	

2. Limits of reinvestments in Mainland China:

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period (Note 4)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4)	Upper limit on investment authorized by MOEAIC
1,569,973 (USD 49,700 thousand and RMB9,800 thousand)	1,631,393 (USD51,700 thousand and RMB9,800 thousand)	(Note 5)

Note 1: Investment in Mainland China indirectly through a third area.

Note 2: Direct investment in Mainland China.

Note 3. It was recognized based on financial statements of the same period audited by CPAs.

Note 4. The paid-in capital is converted into NT dollars at the exchange rate on the balance sheet date.

The amount of investment remitted in the current period is converted into NT dollars at previous exchange rates. The investment amount approved by Investment Commission, MOEA of USD51,700 thousand and RMB9,800 thousand is converted into NT dollars at previous exchange rates. In addition, as of December 31, 2022, there was still an approved investment amount of USD2,000 thousand, which had yet to be remitted.

Note 5. The Company has obtained the certificate letter of enterprise headquarters operation scope issued by the Industrial Development Bureau, MOEA. The upper limits for investments in Mainland China set by the Investment Commission, MOEA no longer apply.

Independent Auditors' Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.

Opinion

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

In our opinion, based on our audits and the audit reports of other independent accountants, 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 (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed by the Financial Supervisory Commission (FSC).

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." The auditors of the firm, subject to the independence regulations, have maintained independence from the Group in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not express a separate opinion on these matters. Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Inventory assessment

For accounting policies related to inventory assessment, please refer to Note IV(VIII) Inventory of the consolidated financial statements. For accounting estimates and assumption uncertainty for inventory assessment, please refer to Note V of the consolidated financial statements. Relevant details can be found in Note VI(IV) net inventory.

Description:

Since inventory is measured by the lower of cost and net realizable value, companies need to employ judgments and estimates to determine the net realizable value of inventory on the reporting date. Due to the rapid evolution in technology, the net realizable value fluctuates and potentially leads to significant changes. Therefore, the assessment for the allowance for price decline in inventories is one of the important evaluation items for the accountant when auditing the Group's consolidated financial report.

How our audit addressed the matter:

Our main audit procedure for the aforementioned key matters includes obtaining the inventory aging report and checking the general ledger, selecting appropriate samples from the inventory aging report to compare with the transaction documents to verify that the inventory has been placed in the appropriate interval of the inventory aging report, understanding the management's strategy for calculating the net realizable value and checking relevant documents, evaluating the reasonableness of the inventory price decline and the policy for taking stock of obsolete and slow-moving inventories, assessing whether the inventory evaluation has been implemented in accordance with the established accounting policies, and evaluating whether the management's disclosure for allowance for price decline in inventories is reasonable.

Other Matters

We have audited and expressed an unqualified opinion with other matter sections on the parent company only financial statements of APAQ TECHNOLOGY CO., LTD. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of Management and Governing Bodies 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 (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed by the Financial Supervisory Commission (FSC), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatement may arise from fraud or error. Misstatements 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 auditing standards, we maintain professional skepticism throughout the audit. We also:

- I. 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.
- II. 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.

- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- V. 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.
- VI. 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 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

Cheng-Hsueh Chen

Certified public accountant :

Wan-Yuan Yu

Securities Competent
Authority Approval No.

Jin-Guan-Zheng-Shen-Zi No.
: 1020002066
(88) Taiwan-Finance-Securities-VI-
18311

February 22, 2023

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Balance Sheets

Years ended on December 31, 2022 and 2021

Unit: NT\$ thousand

Assets		2022.12.31		2021.12.31		Liabilities and Equity		2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents [Note VI(I)]	\$	1,232,368	25	828,178	18	2100	Short-term loans [Note VI(X)]	\$	1,254,000	25
1120	Financial assets at fair value through other comprehensive income - current [Note VI(II)]		146,010	3	138,239	3	2170	Accounts payable		268,379	5
1150	Notes receivable [Note VI(III)]		46,131	1	35,347	1	2180	Accounts payable - related parties [Note VII]		8,896	-
1170	Accounts receivable [Note VI(III)]		885,458	18	1,059,782	23	2201	Payroll and bonus payable		123,208	2
1180	Accounts receivable - related parties [Notes VI(III) & VII]		46,685	1	49,460	1	2213	Payables on equipment		27,714	1
1310	Inventories, net [Note VI(IV)]		773,510	16	697,174	15	2280	Lease liabilities - current [Note VI(XIII)]		14,627	-
1479	Other current assets [Note VI(VIII)]		64,389	1	61,535	1	2399	Other current liabilities		124,947	3
			3,194,551	65	2,869,715	62				1,821,771	36
Non-current assets:						Non-current liabilities:					
1517	Financial assets at fair value through other comprehensive income - non-current [Note VI(II)]		145,021	3	129,807	3	2540	Long-term loans [Note VI(XI)]		375,000	8
1550	Investments accounted for under the equity method [Note VI(V)]		80,623	2	83,075	2	2580	Lease liabilities - non-current [Note VI(XIII)]		840	-
1600	Property, plant and equipment [Note VI(VI)]		1,363,219	28	1,330,505	29				375,840	8
1755	Right-of-use assets [Note VI(VII)]		25,986	-	29,981	1				21,502	-
1780	Intangible assets [Note VI(IX)]		26,508	1	31,697	1				2,197,611	44
1840	Deferred income tax assets [Note VI(XV)]		39,800	1	54,401	1				2,049,836	44
1920	Refundable deposits		23,155	-	26,263	-					
1990	Other non-current assets [Note VI(VIII)]		19,488	-	46,377	1					
			1,723,800	35	1,732,106	38					
Total assets		\$	4,918,351	100	4,601,821	100					

(See the attached notes to consolidated financial statements)

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

Chairman: Dr. DJ Zheng

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years ended on December 31, 2022 and 2021

Unit: NT\$ thousand

		2022		2021	
		Amount	%	Amount	%
4110	Net sales revenue [Notes VI(XVIII) & VII]	\$ 2,488,694	100	2,822,408	100
5110	Cost of goods sold [Notes VI(IV),(XIX) & VII]	1,839,740	74	2,075,546	74
5950	Gross profit	648,954	26	746,862	26
6000	Operating expenses [Notes VI(XIX) & VII]:				
6100	Selling expenses	106,988	4	98,874	4
6200	Administrative expenses	181,510	7	154,558	5
6300	Research and development expenses	88,446	4	90,959	3
	Total operating expenses	376,944	15	344,391	12
6900	Operating profit	272,010	11	402,471	14
7000	Non-operating income and expenses:				
7020	Other gains and losses [Notes VI(II) & (XX)]	40,055	2	42,809	1
7050	Finance costs [Notes VI(XII), (XIII) & (XX)]	(19,232)	(1)	(12,209)	-
7100	Interest income [Notes VI(XX)]	7,050	-	2,678	-
7230	Foreign exchange gain (loss) [Note VI(XXI)]	150,409	6	(34,558)	(1)
7370	Share of profit or loss of associates accounted for under the equity method [Note VI(V)]	(5,260)	-	1,030	-
	Non-operating income and expenses, net	173,022	7	(250)	-
7900	Net profit before income tax	445,032	18	402,221	14
7950	Less: Income tax expense [Note VI(XV)]	106,600	4	95,854	3
	Net income for the period	338,432	14	306,367	11
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8316	Unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income	22,984	1	(7,371)	-
	Total of items that may not be reclassified subsequently to profit or loss	22,984	1	(7,371)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Financial statements translation differences of foreign operations	32,025	1	(7,523)	-
8399	Less: Income tax related to items that may be reclassified [Note VI(XV)]	(6,405)	-	1,504	-
	Total of items that may be reclassified subsequently to profit or loss	25,620	1	(6,019)	-
8300	Other comprehensive income, net of tax	48,604	2	(13,390)	-
	Total comprehensive income for the year	<u>\$ 387,036</u>	<u>16</u>	<u>292,977</u>	<u>11</u>
	Earnings per share (Unit: NT\$) [Note VI(XVII)]				
9750	Basic earnings per share	<u>\$ 3.82</u>		<u>3.49</u>	
9850	Diluted earnings per share	<u>\$ 3.78</u>		<u>3.43</u>	

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
Years ended on December 31, 2022 and 2021

Unit: NT\$ thousand

	Share capital		Retained earnings				Other equity items				
	Share capital - common shares	Capital surplus	Legal reserve	Special reserve	Unappropria ted retained earnings	Total	Financial statements translation differences of foreign operations	Gain (loss) of equity instruments measured at fair value through other comprehensi ve income	Total	Treasury shares	Total equity
Balance as of January 1, 2021	\$ 845,248	561,362	139,955	121,763	596,311	858,029	(86,471)	1,170	(85,301)	-	2,179,338
Net income for the period	-	-	-	-	306,367	306,367	-	-	-	-	306,367
Other comprehensive income for the period	-	-	-	-	-	-	(6,019)	(7,371)	(13,390)	-	(13,390)
Total comprehensive income for the year	-	-	-	-	306,367	306,367	(6,019)	(7,371)	(13,390)	-	292,977
Earnings appropriation and distribution:											
Appropriation of legal reserve	-	-	26,161	-	(26,161)	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	(36,462)	36,462	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(169,012)	(169,012)	-	-	-	-	(169,012)
Conversion of convertible corporate bonds	44,287	204,395	-	-	-	-	-	-	-	-	248,682
Balance as of December 31, 2021	889,535	765,757	166,116	85,301	743,967	995,384	(92,490)	(6,201)	(98,691)	-	2,551,985
Net income for the period	-	-	-	-	338,432	338,432	-	-	-	-	338,432
Other comprehensive income for the period	-	-	-	-	-	-	25,620	22,984	48,604	-	48,604
Total comprehensive income for the year	-	-	-	-	338,432	338,432	25,620	22,984	48,604	-	387,036
Earnings appropriation and distribution:											
Appropriation of legal reserve	-	-	30,637	-	(30,637)	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	13,390	(13,390)	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(177,907)	(177,907)	-	-	-	-	(177,907)
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	(40,374)	(40,374)
Balance as of December 31, 2022	\$ 889,535	765,757	196,753	98,691	860,465	1,155,909	(66,870)	16,783	(50,087)	(40,374)	2,720,740

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
Years ended on December 31, 2022 and 2021

Unit: NT\$ thousand

	2022	2021
Cash flows from operating activities:		
Income before income tax for the period	\$ 445,032	402,221
Adjustments:		
Income and expenses having no effect on cash flows		
Depreciation	239,563	210,643
Amortization	5,194	5,196
Interest expense	19,232	12,209
Interest income	(7,050)	(2,678)
Dividend income	(11,229)	(23,246)
Loss on market value decline and obsolete and slow-moving inventories	13,951	-
Share of loss (profit) of affiliated enterprises accounted for using the equity method	5,260	(1,030)
Loss on disposal of property, plant and equipment	43	674
Other non-cash expense (gain) items, net	304	971
Total income and expense items	<u>265,268</u>	<u>202,739</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	168,883	(85,266)
Inventories	(83,264)	(153,737)
Other operating assets	(688)	(6,264)
Accounts payable (including related parties)	(140,138)	(16,008)
Other operating liabilities	6,993	22,945
Total adjustments	<u>217,054</u>	<u>(35,591)</u>
Cash generated from operations	662,086	366,630
Interest received	7,050	2,678
Cash Dividends received	11,229	23,246
Interest paid	(18,902)	(10,806)
Income tax paid	(116,071)	(128,594)
Net cash generated from operating activities	<u>545,392</u>	<u>253,154</u>
Cash flows from investing activities:		
Acquisition of investments accounted for under the equity method	-	(37,000)
Acquisition of property, plant and equipment	(217,592)	(308,258)
Disposal of property, plant and equipment	57	14
Acquisition of intangible assets	-	(100)
Decrease in refundable deposits	3,418	-
Decrease (Increase) in other non-current assets	5,810	(3,092)
Increase in prepayments for business facilities	(8,649)	(30,274)
Net cash used in investing activities	<u>(216,956)</u>	<u>(378,710)</u>
Cash flows from financing activities:		
Increase in short-term loans	548,000	531,699
Repayment of short-term loans	(600,000)	(90,699)
Long-term Borrowings	365,000	10,000
Repayment for bonds due	-	(1,100)
Repayment of lease principal	(23,443)	(9,459)
Cash dividends paid	(177,907)	(169,012)
Repurchase of treasury shares	(40,374)	-
Net cash inflow from financing activities	<u>71,276</u>	<u>271,429</u>
Effect of exchange rate changes	4,478	(1,209)
Increase in cash and cash equivalents	404,190	144,664
Cash and cash equivalents, beginning of the year	828,178	683,514
Cash and cash equivalents, end of the year	<u>\$ 1,232,368</u>	<u>828,178</u>

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

Independent Auditors' Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.

Opinion

We have audited the accompanying balance sheets of APAQ TECHNOLOGY CO., LTD. (the "Company") as at December 31, 2022 and 2021, and the related statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other independent accountants, 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 audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements." We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not express a separate opinion on these matters. Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Inventory assessment

For accounting policies related to inventory assessment, please refer to Note IV(VII) Inventory of the financial report. For accounting estimates and assumption uncertainty for inventory assessment, please refer to Note V of the parent company only financial statements. Relevant details can be found in Note VI(IV) net inventory.

Description:

Since inventory is measured by the lower of cost and net realizable value, companies need to employ judgments and estimates to determine the net realizable value of inventory on the reporting date. Due to the rapid evolution in technology, the net realizable value fluctuates and potentially leads to significant changes. Therefore, the assessment for the allowance for price decline in inventories is one of the important evaluation items for the accountant when auditing the Company's parent company only financial report.

How our audit addressed the matter:

Our main audit procedure for the aforementioned key matters includes obtaining the inventory aging report and checking the general ledger, selecting appropriate samples from the inventory aging report to compare with the transaction documents to verify that the inventory has been placed in the appropriate interval of the inventory aging report, understanding the management's strategy for calculating the net realizable value and checking relevant documents, evaluating the reasonableness of the inventory price decline and the policy for taking stock of obsolete and slow-moving inventories, assessing whether the inventory evaluation has been implemented in accordance with the established accounting policies, and evaluating whether the management's disclosure for allowance for price decline in inventories is reasonable.

Responsibilities of Management and Governing Bodies 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatement may arise from fraud or error. Misstatements 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 auditing standards, we maintain professional skepticism throughout the audit. We also:

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

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

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 Investee companies accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company 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 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

Cheng-Hsueh Chen

Certified public accountant :

Wan-Yuan Yu

Securities Competent
Authority Approval No.
February 22, 2023

Jin-Guan-Zheng-Shen-Zi No. 1020002066
: (88) Taiwan-Finance-Securities-VI-18311

APAQ TECHNOLOGY CO., LTD.

Balance Sheets

December 31, 2022 and 2021

Unit: NT\$ thousand

		2022.12.31		2021.12.31				2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents [Note VI(I)]	\$ 933,280	19	564,129	12	2100	Short-term loans [Note VI(X)]	\$ 1,254,000	26	1,306,000	29
1120	Financial assets at fair value through other comprehensive income - current [Note VI(II)]	146,010	3	138,239	3	2170	Accounts payable	10,023	-	12,910	-
1170	Accounts receivable [Note VI(III)]	774,513	16	888,260	20	2180	Accounts payable - related parties [Note VII]	411,978	8	441,656	10
1180	Accounts receivable - related parties [Notes VI(III) & VII]	62,001	1	52,152	1	2201	Payroll and bonus payable	85,324	2	88,640	2
1210	Other accounts receivables - related parties [Note VII]	15,736	-	94,564	2	2213	Payables on equipment	6,475	-	6,175	-
1310	Inventories, net [Note VI(IV)]	218,531	4	210,757	5	2280	Lease liabilities - current [Note VI(XIII)]	5,156	-	7,985	-
1479	Other current assets [Note VI(IX)]	8,076	-	6,918	-	2399	Other current liabilities	54,503	1	70,285	2
		<u>2,158,147</u>	<u>43</u>	<u>1,955,019</u>	<u>43</u>			<u>1,827,459</u>	<u>37</u>	<u>1,933,651</u>	<u>43</u>
Non-current assets:						Non-current liabilities:					
1517	Financial assets at fair value through other comprehensive income - non-current [Note VI(II)]	145,021	3	129,807	3	2540	Long-term loans [Note VI(XI)]	375,000	8	10,000	-
1550	Investments accounted for under the equity method [Note VI(V) and VII]	2,467,684	50	2,221,959	49	2580	Lease liabilities - non-current [Note VI(XIII)]	840	-	11,502	-
1600	Property, plant and equipment [Note VI(VI)]	76,230	2	87,635	2			<u>375,840</u>	<u>8</u>	<u>21,502</u>	<u>-</u>
1755	Right-of-use assets [Note VI(VII)]	5,899	-	19,214	1			<u>2,203,299</u>	<u>45</u>	<u>1,955,153</u>	<u>43</u>
1780	Intangible assets [Note VI(XIII)]	26,339	1	31,413	1		Total Liabilities				
1840	Deferred income tax assets [Note VI(XV)]	39,800	1	54,401	1		Equity [Note VI(XII) & (XVI)]:				
1920	Refundable deposits	1,019	-	4,527	-	3100	Share capital	889,535	18	889,535	20
1990	Other non-current assets [Note VI(IX)]	3,900	-	3,163	-	3200	Capital surplus	765,757	16	765,757	17
		<u>2,765,892</u>	<u>57</u>	<u>2,552,119</u>	<u>57</u>	3300	Retained earnings	1,155,909	23	995,384	22
		<u>\$ 4,924,039</u>	<u>100</u>	<u>4,507,138</u>	<u>100</u>	3400	Other equity	(50,087)	(1)	(98,691)	(2)
						3500	Treasury shares	(40,374)	(1)	-	-
							Total equity	<u>2,720,740</u>	<u>55</u>	<u>2,551,985</u>	<u>57</u>
							Total liabilities and equity	<u>\$ 4,924,039</u>	<u>100</u>	<u>4,507,138</u>	<u>100</u>

(See the attached notes to parent company only financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD.

Statements of Comprehensive Income

For the Years ended on December 31, 2022 and 2021

Unit: NT\$ thousand

		2022		2021	
		Amount	%	Amount	%
4110	Net sales revenue [Notes VI(XVIII) & VII]	\$ 2,114,615	100	2,330,432	100
5110	Cost of goods sold [Notes VI(IV),(XIX) & VII]	<u>1,760,515</u>	<u>83</u>	<u>1,897,882</u>	<u>81</u>
5950	Gross profit	354,100	17	432,550	19
5910	Add: Unrealized sales profit and loss [Note VII]	<u>6,302</u>	<u>-</u>	<u>(4,524)</u>	<u>-</u>
5900	Realized gross profit	<u>360,402</u>	<u>17</u>	<u>428,026</u>	<u>19</u>
6000	Operating expenses [Notes VI(XIX) & VII]:				
6100	Selling expenses	59,710	3	56,399	2
6200	Administrative expenses	97,548	5	89,121	4
6300	Research and development expenses	<u>88,491</u>	<u>4</u>	<u>90,964</u>	<u>4</u>
	Total operating expenses	<u>245,749</u>	<u>12</u>	<u>236,484</u>	<u>10</u>
6900	Operating profit	<u>114,653</u>	<u>5</u>	<u>191,542</u>	<u>9</u>
7000	Non-operating income and expenses:				
7020	Other gains and losses [Notes VI(II) & (XX)]	16,138	1	29,432	1
7050	Finance costs [Notes VI(XII), (XIII) & (XX)]	(19,058)	(1)	(11,976)	(1)
7100	Interest income [Notes VI(XX) & VII]	6,811	-	3,405	-
7230	Foreign exchange gain (loss) [Note VI(XXI)]	112,600	5	(17,535)	(1)
7370	Share of profit or loss of associates accounted for under the equity method [Note VI(V)]	<u>149,166</u>	<u>7</u>	<u>153,072</u>	<u>7</u>
	Non-operating income and expenses, net	<u>265,657</u>	<u>12</u>	<u>156,398</u>	<u>6</u>
7900	Net profit before income tax	380,310	17	347,940	15
7950	Less: Income tax expense [Note VI(XV)]	<u>41,878</u>	<u>2</u>	<u>41,573</u>	<u>2</u>
	Net income for the period	<u>338,432</u>	<u>15</u>	<u>306,367</u>	<u>13</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8316	Unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income	<u>22,984</u>	<u>1</u>	<u>(7,371)</u>	<u>-</u>
	Total of items that may not be reclassified subsequently to profit or loss	<u>22,984</u>	<u>1</u>	<u>(7,371)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Financial statements translation differences of foreign operations	32,025	2	(7,523)	-
8399	Less: Income tax related to items that may be reclassified [Note VI(XV)]	<u>(6,405)</u>	<u>-</u>	<u>1,504</u>	<u>-</u>
	Total of items that may be reclassified subsequently to profit or loss	<u>25,620</u>	<u>2</u>	<u>(6,019)</u>	<u>-</u>
8300	Other comprehensive income, net of tax	<u>48,604</u>	<u>3</u>	<u>(13,390)</u>	<u>-</u>
	Total comprehensive income for the year	<u>\$ 387,036</u>	<u>18</u>	<u>292,977</u>	<u>13</u>
	Earnings per share (Unit: NT\$) [Note VI(XVII)]				
9750	Basic earnings per share	<u>\$ 3.82</u>		<u>3.49</u>	
9850	Diluted earnings per share	<u>\$ 3.78</u>		<u>3.43</u>	

(See the attached notes to parent company only financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD.
Statements of Change in Equity
For the Years ended on December 31, 2022 and 2021

Unit: NT\$ thousand

	Retained earnings						Other equity items				
	Share capital - common shares	Capital surplus	Legal reserve	Special reserve	Unappropriate d retained earnings	Total	Financial statements translation differences of foreign operations	Gains (losses) on equity instruments investment at fair value through other comprehensive income	Total	Treasury shares	Total equity
Balance as of January 1, 2021	\$ 845,248	561,362	139,955	121,763	596,311	858,029	(86,471)	1,170	(85,301)	-	2,179,338
Net income for the period	-	-	-	-	306,367	306,367	-	-	-	-	306,367
Other comprehensive income for the period	-	-	-	-	-	-	(6,019)	(7,371)	(13,390)	-	(13,390)
Total comprehensive income for the year	-	-	-	-	306,367	306,367	(6,019)	(7,371)	(13,390)	-	292,977
Earnings appropriation and distribution:											
Appropriation of legal reserve	-	-	26,161	-	(26,161)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(36,462)	36,462	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(169,012)	(169,012)	-	-	-	-	(169,012)
Conversion of convertible corporate bonds	44,287	204,395	-	-	-	-	-	-	-	-	248,682
Balance as of December 31, 2021	889,535	765,757	166,116	85,301	743,967	995,384	(92,490)	(6,201)	(98,691)	-	2,551,985
Net income for the period	-	-	-	-	338,432	338,432	-	-	-	-	338,432
Other comprehensive income for the period	-	-	-	-	-	-	25,620	22,984	48,604	-	48,604
Total comprehensive income for the year	-	-	-	-	338,432	338,432	25,620	22,984	48,604	-	387,036
Earnings appropriation and distribution:											
Appropriation of legal reserve	-	-	30,637	-	(30,637)	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	13,390	(13,390)	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(177,907)	(177,907)	-	-	-	-	(177,907)
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	(40,374)	(40,374)
Balance as of December 31, 2022	\$ 889,535	765,757	196,753	98,691	860,465	1,155,909	(66,870)	16,783	(50,087)	(40,374)	2,720,740

(See the attached notes to parent company only financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

APAQ TECHNOLOGY CO., LTD.

Statements of Cash Flows
For the Years ended on December 31, 2022 and 2021

Unit: NT\$ thousand

	2022	2021
Cash flows from operating activities:		
Income before income tax for the period	\$ 380,310	347,940
Adjustments:		
Income and expenses having no effect on cash flows		
Depreciation	37,480	39,866
Amortization	5,074	5,071
Interest expense	19,058	11,976
Interest income	(6,811)	(3,405)
Dividend income	(11,229)	(23,246)
Inventory valuation losses appropriated	5,100	-
Share of corporate profit recognized under the equity method	(149,166)	(153,072)
Loss (gain) on disposal and retirement of property, plant and equipment	(2,590)	(3,058)
Unrealized sale profit or loss between associates	(6,302)	4,524
Other net expenses having no effect on cash flows	(140)	-
Total income and expense items	<u>(109,526)</u>	<u>(121,344)</u>
Changes in operating assets and liabilities:		
Accounts receivable	113,747	(92,162)
Accounts receivable - related parties	(9,849)	(21,468)
Other accounts receivable - related parties	(3,019)	(6,261)
Inventories	(12,874)	(21,610)
Other operating assets	(1,151)	581
Accounts payable	(2,887)	(3,210)
Payables to related parties	(28,295)	26,596
Other operating liabilities	350	2,614
Total adjustments	<u>(53,504)</u>	<u>(236,264)</u>
Cash generated from operations	326,806	111,676
Interest received	8,064	2,153
Cash Dividends received	11,229	23,246
Interest paid	(18,783)	(10,806)
Income tax paid	(53,406)	(44,775)
Net cash generated from operating activities	<u>273,910</u>	<u>81,494</u>
Cash flows from investing activities:		
Acquisition of investments accounted for under the equity method	(55,699)	(92,713)
Proceeds from purchases of property, plant and equipment	(20,287)	(19,459)
Disposal of property, plant and equipment	57	14
Decrease in other receivables - related parties	80,594	(81,385)
Acquisition of intangible assets	-	(100)
Decrease in refundable deposits	3,508	-
Increase in other non-current assets	(89)	(908)
Increase in prepayments for business facilities	-	(690)
Net cash inflow (outflow) from investing activities	<u>8,084</u>	<u>(195,241)</u>
Cash flows from financing activities:		
Increase in short-term loans	548,000	531,000
Repayment of short-term loans	(600,000)	(90,000)
Increase in long-term loans	365,000	10,000
Repayment for bonds due	-	(1,100)
Repayment of lease principal	(7,562)	(9,459)
Cash dividends paid	(177,907)	(169,012)
Proceeds from repurchase of treasury shares	(40,374)	-
Net cash inflow from financing activities	<u>87,157</u>	<u>271,429</u>
Increase in cash and cash equivalents	369,151	157,682
Cash and cash equivalents, beginning of the year	564,129	406,447
Cash and cash equivalents, end of the year	<u>\$ 933,280</u>	<u>564,129</u>

(See the attached notes to parent company only financial statements)

Chairman: Dr. DJ Zheng

Manager: Shi-dong Lin

Accounting Manager: Pei-Ling Li

APAQ Technology Co., Ltd.
Rules of Procedure for Shareholders' Meetings

Shareholders' Meetings on August 24, 2021

- I. Unless otherwise provided in the statute, the shareholders' meeting of the Company shall be governed by the Procedures.
- II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in. Attendance and voting at a shareholders' meeting shall be calculated based the number of shares.
- III. The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall not begin earlier than 9 a.m. or later than 3 p.m.
- IV. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairperson shall act in place of the chairman; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- V. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- VI. The Company shall record the proceedings of a board meeting in their entirety in audio or video, and retain the recorded materials for at least 1 year.
- VII. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act "When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- VIII. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The chairman shall not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. After the meeting is adjourned, the shareholder shall not request the chairman to resume the meeting at the same or another place; If the chairman declares the meeting adjourned in violation of the rules of procedure, a new chair shall be elected by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- IX. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

- X. Except with the consent of the chairman, a shareholder shall not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. When a meeting is in progress, the chair may announce a break based on time considerations.
- XI. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XII. When the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.
- XIII. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote. Except as otherwise provided in the Company Act and in the Articles of Incorporation of the Company, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, it shall be deemed to have been adopted after the chairman has asked the opinions of all shareholders present that there is no objection, and it shall have the same effect as a vote.
- XIV. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XV. The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor". When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- XVI. The establishment of these Rules were adopted by the shareholders' meeting on June 25, 2013. The same procedure shall be followed when the Rules have been amended.
The first amendment to these Rules was made on the shareholders' meeting on June 12, 2014.
The second amendment to these Rules was made on the shareholders' meeting on June 24, 2021.

APAQ Technology Co., Ltd.
Articles of Incorporation

Shareholders' Meetings on June 21, 2022

- Article 1 The Company is organized in accordance with the provisions of the Company Act for limited liability companies, and is named as "鈺邦科技股份有限公司" (English name is "APAQ TECHNOLOGY CO., LTD.>").
- Article 2 The Company's business scope is as follows:
CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Peripheral Equipment Manufacturing E603050 Automatic Control Equipment Engineering F401010 International Trade I501010 Product Designing Research, development, manufacturing, and sales for the following products: Aluminum Solid Capacitor, Aluminum Liquid Electrolytic Capacitor and General Electronic Components
- Article 3 The Company set up its head office in the Hsinchu Science Park, and may establish branches at home and abroad upon the resolution of the board of directors and approval the competent authority if necessary.
- Article 4 The Company's investments shall be made according to the resolution of the board of directors of the Company. The total amount of the Company's investments in other companies may exceed forty percent of the amount of its own paid-in capital.

Chapter 2 Shares

- Article 5 The total capital of the Company is set as NT\$2 billion, divided as 200 million shares with a par value of NT\$10 per share. All the shares are registered ordinary shares and issued in installments. The unissued shares shall be issued by the resolution of the board of directors according to actual needs. Of which, NT\$60 million is reserved, divided as 6 million shares with a par value of NT\$10 per share, which are used for the issuance of employee stock warrants.
- The Company shall, with the consent of at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing a majority of total issued shares, transfer shares to employees at less than the average actual share repurchase price, or issue employee stock warrants at a discount to the closing price of the Company's common shares on the issue date.
- Article 5-1 The shares purchased by the Company shall be transferred to the employees of the controlling or subordinate companies who meet certain criteria, and the terms and conditions of the transfer are authorized to be determined by the Board of Directors.
- Stock warrants of the Company shall be issued to employees of controlling or affiliated companies who meet certain conditions, and such conditions and manner of issuance shall be authorized by the Board of Directors to determine.
- The limited rights of employees to be issued by the Company include controlling or subordinate employees subject to certain conditions, such conditions and the manner of distribution as authorized by the Board of Directors to determine.
- The Company reserves the right to issue new shares in cash for subscription by employees, including those who meet certain criteria for control or subordinate employees, and the Board of Directors is authorized to determine the conditions and method of subscription.
- Article 6 The shares of the Company are all registered shares, shall be numbered, signed or sealed by or affixed with the seals of the directors on behalf of the Company, and shall be issued upon the approval of the certified bank pursuant to the law. The Company may be exempted from printing any share certificate for the shares issued, and shall register the

issued shares with a centralized securities depository enterprise.

Article 6-1 Deleted.

Article 7 Shareholders shall provide on file their specimen chop to the Company for recordation and use the same specimen chop to claim dividends and bonuses, or exercise the rights. The transfer, gift, establishment and termination of pledge right, loss, damage or other matters of shares shall be handled in accordance with the relevant laws and regulations.

Article 8 The Company shall not handle any requests for transfers of shares within 60 days prior to a regular shareholders' meeting, 30 days prior to a special shareholders' meeting, or 5 days prior to the record date for the distribution of dividends, bonuses or other interests.

Chapter 3 Shareholders' meeting

Article 9 Shareholders' meetings of the Company are of two kinds:

- I. Regular shareholders' meetings, which shall be convened by at least once a year by the Board of Directors within six months after close of each fiscal year.
- II. Special shareholders' meeting, which shall be convened when necessary according to law.

The adoption of electronic voting at shareholders' meetings is included as one of the channels for shareholders to exercise their voting rights, and the related operations are handled in accordance with the regulations of the competent authorities.

Shareholders' meeting of the Company may be held by video conference or other means as announced by the central competent authorities.

The conditions, operating procedures and other matters to be followed for the adoption of the video shareholders' meeting shall be in accordance with the regulations of the competent securities authorities.

Article 10 The shareholders' meeting shall be chaired by the chairperson of the board. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting Chairman of the board of directors. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 11 A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice of the date, place and reasons to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. With the consent of addressees, the meeting notice on convening a shareholders' meeting may be given in electronic form.

Article 12 Deleted.

Article 13 In case a shareholder is unable to attend a meeting of the board of directors, he or she may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, if the voting rights represented by that proxy exceed three percent of the voting rights represented by the total number of issued shares, the voting rights in excess of that percentage shall not be included in the calculation. The proxy form referred to in the preceding paragraph shall be delivered to the Company five days prior to the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; provided that this restriction shall not

apply to those who declare to revoke the power of attorney.

Article 14 Except in the circumstances otherwise provided for in relevant laws and regulations, a shareholder of the Company shall have one voting right in respect of each share in his/her/its possession.

Article 15 Unless otherwise provided for in the Company Act, the resolution at the meeting of shareholders shall be adopted by a majority of the shareholders present who represent majority of the total number of its outstanding shares. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes, specifying the date and place of the meeting, the number of shareholders present, the number of shares represented, the number of voting rights, the name of the chairman, the items of the resolutions and the method of the resolutions. The meeting minutes shall be signed or sealed by the chair of the meeting, and shall be retained on the board of directors of the Company together with the attendance book and sign-in cards of the attending shareholders and proxy form for attendance, with a retention period governed by Article 183 of the Company Act. The meeting minutes shall be distributed to the shareholders within 20 days after the meeting in accordance with relevant regulations.

Chapter 4 Directors, Audit Committee and Managers

Article 16 The Company has 5 to 9 directors, and adopts the candidate nomination system set out in Article 192-1 of the Company Act. Shareholders shall elect directors from among those listed in the slate of director candidates for a term of three years and may be eligible for re-election.

The Company may obtain Directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship. The board of directors is fully authorized to handle all matters relating to the liability insurance.

In accordance with Article 14-4 of Securities and Exchange Act, the Company has established an audit committee to exercise the powers instead of the supervisors. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener. Exercise by the audit committee of the powers and matters related thereto, shall be conducted in accordance with the provisions of the relevant laws and regulations, and shall be prescribed by the board of directors.

Article 16-1 The number of independent directors in preceding article shall not be less than three and no less than one fifth of the total number of directors. The professional qualifications, shareholding, concurrent posts restrictions, nomination and election methods of independent directors and other matters that should be complied with, shall be handled in accordance with the relevant laws and regulations of the securities competent authority. In the process of electing directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. The independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

Article 16-2 Deleted.

Article 17 A board meeting shall be held quarterly by directors, with powers and duties as follows:

- I. Formulation of operating policy and review and implementation supervision of business plan.
- II. Appointment and dismissal of the chief executive officer, general manager and deputy general manager of the Company.
- III. Establishment and amendment of important rules, regulations and organization of the Company.
- IV. Establishment and abolition of branches.

- V. Convening of shareholders' meeting.
- VI. Resolution of major domestic and foreign investment proposals.
- VII. Review of the Company's internal regulations and contracts for a period of more than one year.
- VIII. Election of chairman.
- IX. Examination of budgets and final settlements.
- X. Making decision on loans matters.
- XI. Proposals to shareholders' meetings for the amendments to the Articles of Incorporation, change of capital, dissolution or merger of the Company.
- XII. Proposals to shareholders' meetings for earnings distribution or covering of losses.
- XIII. Selection and delegation of CPAs.
- XIV. Other powers and duties stipulated in the Company Act and delegated by the shareholders' meeting.

- Article 18 The board of directors of the Company shall, in accordance with the law, elect a chairman of the board directors from among the directors. The chairman of the board directors shall be the chairman of the board meeting and shall externally represent the Company.
- Article 19 Unless otherwise provided for in the Company Act, the board of directors meeting shall be convened by the chairman. In case the Chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the designation of his/her proxy shall be in accordance with the Company Act. A director who appoints another director to attend a board meeting shall issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting. The proxy referred to in the preceding paragraph may be the appointed proxy of only one person. Directors taking part in the board meeting via visual communication network shall be deemed to have attended the meeting in person.
- Article 19-1 The reasons for calling a board of Directors 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 notice set forth in the preceding paragraph may be served in writing, or by email or fax.
- Article 20 Deleted.
- Article 21 Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. However, the following matters shall be subject to the approval of two-thirds of the directors present at the meeting that shall be attended by a majority of all directors:
- I. Resolution of major domestic and foreign investment proposals.
 - II. Contracts for a period of more than one year.
 - III. Examination of budgets and final settlements.
- Article 22 Exercise by the audit committee of the powers and matters related thereto, shall be conducted in accordance with the provisions of the relevant laws and regulations, and shall be prescribed by the board of directors.
- Article 23 Deleted.
- Article 24 The remuneration of directors shall be determined by a meeting of shareholders.
- Article 25 The Company shall have one general manager, several deputy general managers. The board of directors may, based on the needs of the organizational function of the Company, appoint a chief executive officer by adoption, who shall, in accordance with the adoptions of the board of directors, lead the managers referred to in the preceding paragraph to carry out the material decisions of the Company and all its related enterprises.
The appointment and dismissal of the chief executive officer and general manager shall be subject to the approval by a majority of the directors at a meeting attended by a majority of the directors. The appointment and dismissal of the deputy general manager shall be submitted by the general manager, and subject to the approval by a majority of the directors at a meeting attended by a majority of the directors.

The board of directors shall be authorized to determine the remuneration paid to managers according to their participation in the operation of the Company and the value of their contribution.

The manager referred to in paragraph 1 and paragraph 2 shall be held concurrently by a director.

Chapter 5 Accounting

Article 26 The fiscal year of the Company begins on January 1 and ends on December 31 of each year. At the end of a fiscal year, the board of directors shall prepare the following reports and statements to be submitted to the shareholders' meeting for recognition in accordance with the law:

- I. Business Report
- II. Financial Statements
- III. Proposal for earnings distribution or covering of losses

Article 27 If the Company has gained profits within a fiscal year, 8% or more of the profits shall be reserved as the employees' compensation, which shall be distributed by a resolution adopted by the board meeting in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements. The Company shall allocate not more than 3% of the proceeding profits as the remuneration of directors by a resolution adopted by the board meeting. The distribution plan of the remuneration to employees and directors shall be reported at the shareholders' meeting. However, in case of the accumulated losses, certain profits shall first be reserved to cover them, and then reserve remuneration to employees and directors in accordance with the proportion mentioned in the preceding paragraph.

Article 27-1 In case of any earnings in the Company's annual final accounting, it shall first pay all taxes and dues and cover its previous losses in accordance with the law, then 10% of the earnings shall be reserved as the statutory surplus reserve; provided that this restriction shall not apply to the circumstances that the statutory surplus reserve has reached the paid-in capital of the Company. Provision or reversal of special surplus reserve shall be made from the remaining earnings in accordance with the law. If there are still earnings left over, the board of directors shall prepare a motion for the earnings distribution for the balance and accumulated retained earnings, and submit it to the board of shareholders for a resolution on dividend distribution. The Company is running in a changing industry with intensive capital and technology, in which the corporate life cycle is in the stage of stable operation growth, the Company must reserve the surplus to meet the operating growth and investment needs of the fund, thus a surplus dividend policy is adopted in present stage. The distribution of shareholder dividends, in cash or stock forms, shall not be lower than 10% of the distributable surplus of the year. The cash dividends shall be no lower than 10% of the total.

Article 28 Deleted.

Article 29 In addition to the remuneration for the directors prescribed in Article 27 of the Articles, the board of directors shall be authorized to determine the attendance fees for the directors of the Company referring to the standards of the same industry.

Article 30 Deleted.

Chapter 6 Supplementary Provisions

Article 31 The Company may undertake external guarantee business in accordance with government regulations.

Article 32 Any matters not covered herein shall be handled in accordance with the requirements of the Company Act and other applicable laws and regulations.

Article 33 These Articles of Incorporation were formulated by the sponsors' meeting with the consent of all the sponsors on December 23, 2005, and came into force on the date of approval and registration by the competent authority.
The first amendment was made on July 7, 2006 and taken into effect by the resolution of the shareholders' meeting.

The second amendment was made on June 26, 2009 and taken into effect by the resolution of the shareholders' meeting.

The third amendment was made on June 25, 2010 and taken into effect by the resolution of the shareholders' meeting.

The fourth amendment was made on June 22, 2011 and taken into effect by the resolution of the shareholders' meeting.

The fifth amendment was made on June 22, 2012 and taken into effect by the resolution of the shareholders' meeting.

The sixth amendment was made on June 25, 2013 and taken into effect by the resolution of the shareholders' meeting.

The seventh amendment was made on June 12, 2014 and taken into effect by the resolution of the shareholders' meeting.

The eighth amendment was made on June 23, 2015 and taken into effect by the resolution of the shareholders' meeting.

The ninth amendment was made on June 23, 2016 and taken into effect by the resolution of the shareholders' meeting.

The tenth amendment was made on June 20, 2017 and taken into effect by the resolution of the shareholders' meeting.

The eleventh amendment was made on June 26, 2018 and taken into effect by the resolution of the shareholders' meeting.

The twelfth amendment was made on June 19, 2019 and taken into effect by the resolution of the shareholders' meeting.

The thirteenth amendment was made on June 17, 2020 and taken into effect by the resolution of the shareholders' meeting.

The fourteenth amendment was made on June 21, 2022 and taken into effect by the resolution of the shareholders' meeting.

APAQ Technology Co., Ltd.
Method of Election of Directors

Shareholders' Meetings on June 17, 2020

- Article I: The election of directors of the Company shall be conducted in accordance with these Measures unless otherwise provided for in the Company Law, the Articles of Association of the Company and relevant laws.
- Article II: The election of the directors of the Company shall be conducted at the shareholders' meeting, and the Company shall prepare the votes of the directors with additional voting weights.
- Article III: The election of directors (including independent directors) of the Company shall be conducted in accordance with the candidate nomination system procedure stipulated in Article 192-I of the Company Law.
- Article IV: The election of the directors of the Company shall be conducted by a single registered cumulative voting system. Each share shall have the same number of voting rights as the number of persons to be elected
- Article V: The number of directors of the Company shall be determined in accordance with the articles of association of the Company, and according to the statistical results of voting votes, those with more voting rights represented by the votes obtained shall be successively elected as independent directors and non-independent directors. If there are two or more persons with the same number of rights and the number of places exceeds the required number, lots will be drawn by those with the same number of rights, and the chairman will draw lots for those who are not present.
- An independent director or a non-independent director who is elected as an independent director or a non-independent director in accordance with Paragraph I shall decide to act as an independent director or a non-independent director at his own discretion, or if the personal data of the elected independent director or a non-independent director is verified to be inconsistent with that of the elected director or the elected director loses his validity in accordance with the relevant laws and regulations, the vacancy shall be declared to be filled by the electors of the previous majority at the next shareholders' meeting.
- Article VI: The votes of directors shall be elected together with those of independent directors and shall be counted separately.
- Article VII: Before the election begins, the Chairman shall appoint a number of vote monitors and counting officers to perform the relevant duties. However, the supervisor shall have the status of shareholder
- Article VIII: The voting cabinets (boxes) used for election shall be prepared by the company and shall be opened and inspected by the vote supervisors before the voting.
- Article IX: If the candidate is a shareholder, the voter must fill in the name in the "Candidate" column of the ballot with the candidate's shareholder account name and number noted. If the candidate is not a shareholder, the name and the ID card number or passport number of the candidate should be filled in the said column of the ballot. However, if the government or legal person shareholder is the elector, the name of the government or legal person shall be filled in the account name column of the elector, and the name of the government or legal person and the name of its representative may also be filled in; If there are more than one representative, the name of the representative shall be added respectively.
- Article X: An electoral ballot shall be invalid under any of the following circumstances.
- (I) Ballot papers that have not been put into a ballot box.
 - (II) No electoral votes prepared by the board of directors.
 - (III) A blank ballot that has not been filled in by an elector.
 - (IV) The candidate whose name is entered in the ballot is a shareholder and his/her account name and shareholder account number does not conform to the shareholder registry, or

the candidate whose name is entered in the ballot is not a shareholder and does not conform to the name and identity card number provided.

- (V) In addition to filling in the name of the candidate household (name), the number of the household (ID card number) and the number of voting rights allocated, write other characters.
- (VI) The writing is blurred and illegible.
- (VII) If any of the entries in the elected account (name), account number (ID card number) and the number of rights invested have been altered.
- (VIII) The registered subscriber's name is the same as that of other shareholders, but the registered subscriber's number or ID card number is not specified.
- (IX) A ballot filled by more than two electors.

Article XI: (Deleted)

Article XII: If the Securities Exchange Law does not comply with Article 26-III, Item III, Item IV, the election shall be invalid.

Article XIII: After the voting, the ballots shall be counted on the spot, and the results shall be announced on the spot by the Chairman or the person designated.

Article XIV: The company shall issue a notice of election respectively to the elected directors.

Article XV: This Measure shall be implemented after being approved by the shareholders' meeting, and the same applies to amendments.

Article XVI: This Measure was approved at the shareholders' meeting on Jun. 25, 2013.

The first amendment to this measure was made on the shareholders' meeting on June 12, 2014.

The second amendment to this measure was approved at the shareholders' meeting held on Jun. 17, 2020.

Appendices IV

APAQ Technology Co., Ltd. Share Ownership of Directors

- I. As of the book closure date of the regular shareholders' meeting (April 14, 2023), the total number of shares issued by the Company: 88,953,514 shares.
- II. The minimum numbers of shares required to be held by all directors: 7,116,281 shares.
- III. As of the book closure date of the regular shareholders' meeting (April 14, 2023), the number of shares held by individual and all directors in the shareholders register is as follows:

Title	Name	The Number of Shares Held in the Shareholders Register as of the Book Closure Date (April 14, 2023)	Shareholding Ratio (%)
Chairman	Tun-Jen Cheng	3,117,358	3.50
Directors	Ching-Feng Lin	1,002,000	1.13
Directors	Huacheng Venture Capital Co., Ltd. Representative: Hsien-Yueh Hsu	10,668,012	11.99
Independent Director	Shu-Chien Liang	0	0
Independent Director	Chung-Ming Liu	0	0
Independent Director	Chia-Ning Chang	0	0
Total	Six directors	14,787,370	16.62

Appendices V

APAQ Technology Co., Ltd. Other Explanatory Materials

- I. The impact of share dividend on business performance, EPS, and shareholders' return rate: There is no proposed bonus share issuance at this regular shareholders' regular meeting of the Company, thus it is not applicable.
- II. Acceptance of Shareholders Proposal:
 - (I) In accordance with Article 172-1 of the Company Act, shareholders holding one percent (1%) or more of the total number of outstanding shares may propose to the Company a proposal for discussion at a regular shareholders' meeting in writing within 300 words, provided that only one matter shall be allowed in each single proposal.
 - (II) The period in which the Company accepts shareholder proposals is from March 27, 2023 to April 6, 2023, which is published on the Market Observation Post System in accordance with the regulations.
 - (III) The Company has not received any shareholder's proposals.