

Apacer

Stock Code: 8271



Apacer Technology Inc.

2024 Annual Shareholders' Meeting

Shareholders' meeting will be held by means of:
physical shareholders' meeting

Meeting Handbook

May 31st, 2024

Apacer Technology Inc.

Rules of Procedure for Shareholders' Meetings

Article 1 (Purpose)

To establish a good governance system for the Company's shareholders' meeting, ensure its sound supervisory functions and strengthen its management capability, these Rules of Procedure (hereinafter referred to as the "Rules") have been adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2 (Scope of Application)

The rules of procedures for the Company's shareholders' meeting, except as otherwise provided by laws, regulations or the Articles of Incorporation, shall be governed by the Rules.

Article 3 (Convening of Shareholders' Meeting and Notice of Meeting)

Unless otherwise provided by laws or regulations, the Company's shareholders meeting shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the notice of shareholders' meeting and letter of attorney forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, discussion or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. The Company shall also prepare the shareholders' meeting handbook and supplemental meeting materials 15 days before the date of the shareholders meeting and make them available for review by shareholders at any time. The meeting handbook and supplemental materials shall be displayed at the Company and the professional shareholding services agency designated thereby as well as distributed on-site at the meeting.

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

Election or dismissal of directors, change of Articles of Incorporation, capital reduction, application for cessation of public offering, approval for directors to compete with the Company, capital increase from retained earnings or capital reserve, company dissolution, merger, spin-off, or all matters specified in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out with description of the main details in the reasons for convening the shareholders' meeting. None of the said matters may be raised by extempore motion. The main details may be posted on a website designated by the competent authority of securities or the Company, and the website address shall be specified in the notice.

Where a new election of all directors and the date when the elected directors begin their term have been specified in the reasons for convening the shareholders' meeting, the meeting may not change that date through an extempore motion or any other way after the election has been completed at the same meeting.

Any shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such a proposal, however, shall be limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Where a proposal from any shareholder provides suggestions for the Company to enhance public interest or fulfill social responsibility, the Board of Directors may include it in the meeting agenda. Where the circumstances of any Subparagraph of Article 172-1, Paragraph 4 of the Company Act applies to a proposal put forward by any shareholder, the Board of Directors may exclude it from the meeting agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the methods for receipt of the proposals in a written or electronic form, and the location and time period for receipt of the proposals. The time period for receipt of the proposals may not be less than ten days.

A proposal submitted by any shareholder shall be limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. Any shareholder submitting a proposal shall attend the regular shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

Prior to the date of notice of the shareholders' meeting, the Company shall inform any shareholder submitting a proposal of the processing result of the proposal, and shall include in the meeting notice any proposal that meets the requirements of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposal not included in the meeting agenda.

Article 4 (Shareholders' Attendance or Proxy)

A shareholder may appoint a proxy by presenting a letter of attorney provided by the Company which specifies the scope of authority.

A shareholder may present only one letter of attorney and appoint only one proxy, and shall deliver the letter of attorney to the Company five days before the date of the shareholders' meeting. Where duplicate letters of attorney are delivered, the one received first shall prevail, unless a declaration is made to cancel the appointment of proxy.

After a letter of attorney has been delivered to the Company, if the shareholder intends to attend the meeting in person or exercise voting rights in a written or electronic form, a written notice of cancellation of proxy shall be submitted to the Company two days before the date of the shareholders' meeting. If the notice of cancellation is submitted after that period, the voting rights exercised by the appointed proxy at the meeting shall prevail.

Article 5 (Principles of venue and time)

The shareholders' meeting shall be held at the location where the Company is headquartered or a location convenient for the shareholders to attend the meeting and suitable for convention of the shareholders' meeting. The start time of the meeting shall be no earlier than 9 a.m. and no later than 3 p.m. Any decision regarding the location and time of the meeting shall adequately take into account the opinions of independent directors.

Article 6 (Preparation of attendance book and other documents)

The Company shall specify in the notice of shareholders' meeting the time when shareholder attendance registration will be accepted, the place for attendance registration, and other matters for attention.

The time when shareholder attendance registration will be accepted, as stated in the preceding Paragraph, shall be at least 30 minutes prior to the start of the meeting. The place for attendance registration shall be clearly marked, and a sufficient number of competent personnel shall be assigned to handle the registration.

Any shareholder or his/her proxy (hereinafter referred to as "shareholder") shall attend the shareholders' meetings with an attendance card, sign-in card or any other certificate of attendance. The Company may not randomly add requirements for the provision of any certificate other than that presented by the shareholder to attend the meeting. Any solicitor who solicits letters of attorney shall also bring his/her identity documents for verification.

The Company shall prepare an attendance book for attending shareholders to sign in, or the attending shareholders may hand in a sign-in card as an alternative.

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

Where the government or any juridical person is a shareholder, it may be represented by more than one person at the shareholders' meeting. Any juridical person to be present at the shareholders' meeting as a proxy may only send one representative to the meeting.

Article 7 (Chairperson and Attendees of the Shareholders' Meeting)

Any shareholders' meeting shall be convened by the Board of Directors and chaired by the Chairman of the Board. If the Chairman of the Board is on leave or unable to exercise his/her function for whatever reason, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or where the Vice Chairman is also on leave or unable to exercise his/her function for whatever reason, the Chairman shall appoint one of the executive directors to act on his/her behalf. In the absence of any executive director, one of the directors shall be appointed to act on behalf of the Chairman. Where the Chairman does not make such appointment, the executive directors or directors shall select one of them to act on behalf of the Chairman.

Where an executive director or director serves as the chairperson under the preceding Paragraph, the executive director or director shall be a person who has held that position for at least six months and who understands the financial and business conditions of the Company. The same shall apply where a representative of any juristic person director serves as the chairperson.

It is advised that any shareholders' meeting convened by the Board of Directors be chaired by the Chairman of the Board in person and be attended by over half of the directors and at least one representative from each of the functional committees. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by any person other than the Board of Directors and who has the right to do so, the meeting shall be chaired by that person. Where there are two or more such persons, they shall select one of them to serve as the chairperson.

Attorneys, certified public accountants or other related persons entrusted by the Company may attend a shareholders' meeting.

Article 8 (Audio or Video Recording Evidence)

The Company shall, from the time it starts to accept shareholder attendance registration, make uninterrupted audio and video recordings of the shareholder registration process, the proceedings of the shareholders' meeting, and the voting and vote counting processes.

Audio and video recordings under the preceding Paragraph shall be retained for at least one year. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recordings shall be retained until conclusion of the lawsuit.

Article 9 (Criteria for Declaration of a Meeting)

Shares shall be the basis for counting the attendees at a shareholders' meeting. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, plus the number of shares whose voting rights are exercised in a written or electronic form.

The chairperson shall call the meeting to order at the planned meeting time and shall announce the number of non-voting shares and the number of shares attending the meeting. However, when the attending shareholders represent less than a majority of the total number of issued shares, the chairperson may postpone the meeting twice at most, and the duration of postponement shall not exceed one hour in total. If the shareholders present after the second postponement do not represent at least one-third of the total number of issued shares, the chairperson shall announce the cancellation of the meeting.

If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and communicated to the shareholders to notify them that the meeting will be convened again within one month.

If the shareholders present before the end of the meeting already represent a majority of the total shares issued, the chairperson may re-propose the tentative resolution for voting at the meeting in accordance with Article 174 of the Company Act.

Article 10 (Discussion of Proposals)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extempore motions and amendments to the original proposals) shall be subject to voting on a one-by-one basis. The meeting shall proceed in accordance with the set agenda, which may not be changed without a resolution of the meeting.

The provisions of the preceding Paragraph shall apply *mutatis mutandis* to any shareholders' meeting convened by any person other than the Board of Directors and who has the right to do so.

With respect to the set agenda under the preceding two Paragraphs (including extempore motions), the chairperson may not unilaterally adjourn the meeting without a resolution before it ends. If the chairperson declares an adjournment in violation of the Rules, other members of the Board of Directors shall promptly assist the attending shareholders to, in accordance with legal procedures, elect a new chairperson by a majority of the voting rights of the attending shareholders to continue the meeting.

If the chairperson determines that any proposal or any amendment or extempore motion submitted by a shareholder has been sufficiently discussed and can be put to a vote, he/she may end the discussion and submit the proposal, amendment or motion to a vote, with sufficient voting time arranged.

Article 11 (Statements by Shareholders)

Before any shareholder attending a shareholders' meeting delivers a statement, the shareholder shall submit a speaker's slip containing the subject of his/her statement and his/her account number (or attendance card number) and account name. The chairperson shall determine the order in which the shareholder delivers his/her statement.

Any shareholder who has submitted a speaker's slip without delivering his/her statement shall be deemed as not having delivered any statement at all. In the event of any inconsistency between the statement delivered and that contained in the speaker's slip, the statement delivered shall prevail.

Unless the chairperson gives consent, no shareholder may deliver his/her statement more than twice on the same proposal, and each statement may not be delivered for more than five minutes. If the shareholder's statement violates the Rules or exceeds the scope of the proposal, the chairperson may stop the delivery of his/her statement.

When a shareholder is delivering his/her statement, any other shareholder may not interrupt with his/her own statement without consent by both the chairperson and the shareholder delivering his/her statement. The chairperson shall stop any such interruption.

Where any shareholder who is a juridical person has sent two or more representatives to attend the shareholders' meeting, only one of them may be selected to deliver a statement on a proposal.

After shareholders have delivered their oral statements, the Chairperson may give or have a designated person give a response.

Article 12 (Calculation of Voting Shares and Recusal System)

Shares shall be the basis for counting the votes at a shareholders' meeting.

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

Where any shareholder has a stake in any proposal at the meeting, and where there is a likelihood that the interests of the Company would be prejudiced as a result, that shareholder may not vote on the proposal and may not exercise voting rights on behalf of any other shareholder.

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

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company. Otherwise, the portion of excessive voting power shall not be counted.

Article 13 (Exercise of Voting Rights)

A shareholder shall have one voting right for each share held, except for any shareholder whose shares are restricted or who is deemed as having no voting rights under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall allow shareholders to exercise voting rights in electronic or written form. Where voting rights are exercised in a written or electronic form, the methods for the exercise shall be specified in the notice of the shareholders' meeting. Any shareholder exercising voting rights in written or electronic form will be deemed as having attended the shareholders' meeting in person, but also deemed as having waived his/her rights with respect to the extempore motions and amendments to original proposals at that meeting. It is therefore advised that the Company avoid the submission of extempore motions and amendments to original proposals.

Any shareholder exercising voting rights in written or electronic form under the preceding Paragraph shall deliver his/her intention to do so to the Company two days before the date of the shareholders' meeting. Where duplicate intentions are delivered, the one received first shall prevail, unless a declaration is made to cancel the said intention.

Where any shareholder who has exercised voting rights in written or electronic form intends to attend the shareholders' meeting in person, the shareholder shall cancel his/her previous intention to exercise voting rights in the same way in which he/she has exercised voting rights two days before the date of the shareholders' meeting. If the said intention is canceled after that period, the voting rights exercised in a written or electronic form shall prevail. Where a shareholder who has exercised voting rights in written or electronic form has appointed a proxy to attend the shareholders' meeting through a letter of attorney, the voting rights exercised by the appointed proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and the Articles of Incorporation of the Company, a proposal shall be adopted by a majority of the voting rights represented by the attending shareholders. At the time of a vote for each proposal, the chairperson or a person designated by him/her shall first announce the total number of voting rights represented by the attending shareholders, and then the shareholders will vote on the proposal. After the conclusion of the meeting, the results for each proposal, including the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS on the same day of the meeting.

Where there is any amendment or alternative proposal, the chairperson shall determine the order in which the amended or alternative proposal and the original one are put to a vote. If one of the proposals is adopted, the other proposals shall be deemed rejected and no further voting is required.

Personnel responsible for monitoring and counting the votes on proposals shall be designated by the chairperson. Any vote monitor shall be a shareholder.

Vote counting at a shareholders' meeting for proposals or elections shall be conducted in public at the place of the meeting. After vote counting has been completed, the voting results including the statistics of the numbers of voting rights shall be announced on-site, with a record made in this regard.

Article 14 (Election Matters)

The election of directors at a shareholders' meeting shall be held in accordance with the applicable rules of election and appointment adopted by the Company, and the election results shall be announced on-site, including the names of those elected as directors, the number of votes with which they are elected, the name list of the candidates who failed in the election, and the numbers of votes cast to them.

The ballots for the election under the preceding Paragraph shall be sealed with the signatures of the vote monitors and kept in proper custody for at least one year. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recordings shall be retained until conclusion of the lawsuit.

Article 15 (Meeting Minutes)

Matters subject to resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed by the chairperson or stamped with his/her seal and distributed to all shareholders within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes under the preceding Paragraph through a public disclosure made on the MOPS.

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chairperson's name, the methods by which resolutions are adopted, a summary of the meeting proceedings and the voting results (including the number of voting rights calculated). Where there is an election of directors, the number of voting rights received by each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.

Article 16 (Public Announcement)

On the day of a shareholders' meeting, the Company shall compile, according to the specified format, statistics of the number of shares acquired by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

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

Article 17 (Maintenance of Order at the Meeting)

Any person managing the administrative affairs of a shareholders' meeting shall wear an identification badge or armband.

The chairperson may direct disciplinary officers (or security guards) to help maintain order at the meeting. A disciplinary officer or security guard shall wear an identification badge while performing his/her duties.

At the place of the shareholders' meeting, if a shareholder speaks through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from doing so.

When a shareholder violates the Rules and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct disciplinary officers or security guards to escort the shareholder out of the meeting.

Article 18 (Break and Resumption of Meeting)

During the process of the meeting, the chairperson may announce a break at any time deemed appropriate by him/her. In the event of force majeure, the chairperson may suspend the meeting and announce a time for the resumption of the meeting depending on the circumstances.

If the meeting venue is no longer available for continued use before all of the items (including extempore motions) on the meeting agenda have been completed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted by the shareholders' meeting to delay or resume the meeting within five days.

Article 19 (History)

The Rules and any amendment hereto shall take effect upon adoption by the shareholders' meeting.

The Rules was established on June 22, 2000.

The first amendment was made on June 23, 2003.

The second amendment was made on May 28, 2020.

The third amendment was made on July 14, 2021.

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One. Meeting Agenda

Form: Physical shareholders meeting

Time: 9:00 a.m., May 31, 2024 (Friday)

Location: 1F, No. 32, Zhongcheng Road, Tucheng District, New Taipei City (Apacer Technology Inc.)

I. Reports

- (I) 2023 Business Report of the Company
- (II) 2023 Audit Committee's Review Report of the Company
- (III) 2023 Earnings Distribution Report of the Company
- (IV) 2023 Employee and Director Remuneration Allocation Report of the Company
- (V) Report on the implementation of the Company's private placements of ordinary shares
- (VI) Report on amendment to the Code of Ethical Conduct.
- (VII) Report on amendment to the Ethical Corporate Management Best Practice Principles.
- (VIII) Report on amendment to the Procedure for Ethical Management and Guidelines for Conduct.

II. Elections

Full re-election of directors due to expiration of the current term.

III. Proposals and Discussion

- (I) The Company's 2023 business report and financial statements.
- (II) Amendments to the Company's Articles of Incorporation.
- (III) Amendments to the Company's Procedure for Acquisition and Disposal of Assets and Regulations on Engaging in Financial Products Related to Commercial Foreign Exchange Risk Management.
- (IV) Lifting non-competition restrictions on new directors and their representatives.

IV. Extempore Motions

V. Adjournment

I. Reports

I. 2023 Business Report of the Company

Note: For the 2023 business report of the Company, please refer to Annex I, pages 16-18 hereof.

II. 2023 Audit Committee's review report of the Company

Note: For the 2023 Audit Committee's Review Report of the Company, please refer to Annex II, page 19 hereof.

III. 2023 Earnings Distribution Report of the Company

Description:

- (I) According to Article 21 of the Company's Articles of Incorporation, the Company shall authorize the board of directors to resolve the dividend in cash and report to the regular shareholder meeting.
- (II) As resolved by the board of directors on April 17, 2024, cash dividend to the amount of TWD 405,497,188 is distributed pro rata to the shareholders listed in the shareholder register as of the record date and based on the number or shares they held. The cash dividend is TWD 3.15 per share, rounded down to the nearest whole dollar. In the case of fractional shares to which the distributed amount is less than TWD 1 per share, the total amount distributed is recognized as "other income" of the Company.

IV. 2023 Employee and Director Remuneration Allocation Report of the Company

Description:

- (I) Pursuant to the Company Act and Articles 20 and 16-1 of the Articles of Incorporation, 4% or more of the profit in any fiscal year, if any, must be allocated as remuneration for employees, and no more than 1.4% of the profit must be allocated as remuneration for directors.
- (II) The Company's 2023 remuneration to employees and directors has been approved by the board of directors on February 23, 2024. The above remuneration is paid in cash.
- (III) The Company's 2023 remuneration to employees amounted to TWD 70,405,000.
- (IV) The Company's 2023 remuneration to director's was TWD 10,119,000.

V. Report on the implementation of the Company's private placements of ordinary shares

Note: For the report on the implementation of the Company's private placements of ordinary shares, please refer to Annex III, pages 20-21 hereof.

VI. Report on amendment to the Code of Ethical Conduct.

Note: According to the Guidelines for the Adoption of the Code of Ethical Conduct for TWSE/GTSM Listed Companies, the Company proposes to revise the Code of Ethical Conduct. For the comparison table for clauses before and after revisions and the revised clauses, please refer to Annex IV, pages 22-25 hereof.

- VII. Report on amendment to the Ethical Corporate Management Best Practice Principles.
Note: In line with the Group's strategic development and changes in managerial officers resolved by the board of directors on February 23, 2024, the Company proposes to amend its Ethical Corporate Management Best Practice Principles. For the comparison table for clauses before and after revisions and the revised clauses, please refer to Annex V, pages 26-34 hereof.
- VIII. Report on amendment to the Procedure for Ethical Management and Guidelines for Conduct.
Note: In line with the group's strategic development and changes in managerial officers resolved by the board of directors on February 23, 2024, the Company proposes to revise the Procedure for Ethical Management and Guidelines for Conduct. For the comparison table for clauses before and after revisions and the revised clauses, please refer to Annex VI, pages 35-45 hereof.

II. Elections

Brief: With reference to the reelection of all directors due to expiration of the current term, please proceed to discussion. (Submitted by the Board of Directors)

Description:

- (I) The term of office of the Company's directors (including independent directors) will expire on July 14, 2024, and re-election should be held at the 2024 regular shareholder meeting according to the law.
- (II) Pursuant to Article 12 of the Company Act, the Company has seven to nine Directors. Nine Directors (including three Independent Directors) will be re-elected by the shareholders' meeting from the list of candidates. The candidate nomination system must be adopted. For the list of director (including independent director) candidates, please refer to Annex VII, page 46-48 hereof.
- (III) The term of office of the new directors is three years, from May 31, 2024 to May 30, 2027. The term of office of the existing directors ends when the new directors take office.
- (IV) This proposal is submitted for discussion.

Resolution:

III. Proposals and Discussion

Proposal 1

Brief: With reference to the Company's 2023 business report and financial statements, please proceed to ratification. (Submitted by the Board of Directors)

Description:

- (I) The Company's 2023 business report and financial statements (including individual and consolidated balance sheets, comprehensive income statements, equity statements and cash flow statements) have been audited jointly by Philip Tang and Shih Wei-ming, certified public accountants (CPAs) of KPMG Taiwan.
- (II) The 2023 business report, the said financial statements and earnings distribution table have been reviewed by the Audit Committee and approved by the board of directors. Please refer to Annex I, Annex VIII and Annex IX, pages 16-18, pages 49-66 and page 67.
- (III) This proposal is submitted for ratification.

Resolution:

Proposal 2

Brief: With reference to revisions of the Articles of Incorporation, please proceed to discussion. (Submitted by the Board of Directors)

Description:

- (I) In order to implement corporate governance and strengthen the management function of the board of directors, the Articles of Incorporation have been amended. For the comparison table for clauses before and after revisions and the revised clauses, please refer to Annex X, pages 68-74 hereof.
- (II) This proposal is submitted for discussion.

Resolution:

Proposal 3

Brief: Amendments to the Company's Procedure for Acquisition and Disposal of Assets and Regulations on Engaging in Financial Products Related to Commercial Foreign Exchange Risk Management.
This proposal is submitted for discussion. (Submitted by the Board of Directors)

Description:

- (I) In line with the group's strategic development and changes in managerial officers resolved by the board of directors on February 23, 2024, the Company proposes to amend the Procedure for Acquisition or Disposal of Assets and the Regulations on Engaging in Financial Products Related to Commercial Foreign Exchange Risk Management. For the comparison table for clauses before and after revisions and the revised clauses, please refer to Annex XI and Annex XII, pages 75-93 and pages 94-101 hereof.
- (II) This proposal is submitted for discussion.

Resolution:

Proposal 4

Brief: With reference to lifting non-competition restrictions on new directors and their representatives, please proceed to discussion. (Submitted by the Board of Directors)

Description:

- (I) Pursuant to Article 209 of the Company Act, a director who engages in any act within the scope of the company's business for himself or on behalf of another person shall explain to the shareholders' meeting the essential contents of the act and receive approval from the meeting.
- (II) A situation may arise where a director of the Company invests in or manages any other company whose business scope is the same as or similar to that of the Company, and where the director serves in the same position of that other company. In accordance with applicable laws, it is proposed that if a newly elected director of the Company or his representative is involved in the aforementioned situation, he/she shall be exempted from non-compete restrictions. The proposal is subject to approval at the shareholders' meeting.
- (III) For the concurrent positions held by candidates of directors and independent directors, please refer to Annex XIII, page 102-103 hereof.
- (IV) This proposal is submitted for discussion.

Resolution:

IV. Extempore Motions

V. Adjournment

Annex I

Apacer Technology Inc. 2023 Business Report

Dear Shareholders:

Looking back on 2023, the global economy remained highly uncertain due to the intensification of geopolitical conflicts and the interest rate policy of the U.S. Federal Reserve System. In addition, the global semiconductor end application market was not as good as expected and the inventory adjustment time was lengthened. The weak memory market led to a sharp decline in the selling price, forcing manufacturers to take measures such as cutting production, reducing capital expenditure, adjusting equipment configuration, and optimizing production lines. In addition, due to the interference of the escalating technology war between the United States and China, complicated situations were not favorable to business operations and the annual revenue declined as a result.

Facing such a difficult operating environment, Apacer relied on its long-term efforts in key areas over the past few years, combined with the cooperation with strategic partners in recent years, to seize business opportunities amid these drastic changes in the market, adjusting product structure strategies rapidly, and ultimately maintaining a relatively stable operation result.

The consolidated operating revenue in FY 2023 was TWD 7.63 billion; the consolidated gross operating profit was TWD 1.78 billion; and the consolidated net profit after tax was TWD 600 million, and the earnings per share after tax was TWD 4.51. The following is an outline of the operating performance as well as operation and research results in FY 2023 and the operational plan for FY 2024:

I. Consolidated operating performance in 2023:

Unit: TWD 1,000

Item	2023	2022	Gain (Loss)
Consolidated revenue	7,631,446	8,797,035	(1,165,589)
Consolidated gross profit	1,778,642	1,688,414	90,228
Consolidated net profit	710,534	694,122	16,412
Consolidated net non-operating income	37,855	19,353	18,502
Consolidated net profit after tax	604,712	576,991	27,721
Attributable to owners of the parent company	553,046	559,126	(6,080)
Attributable to non-controlling interests	51,666	17,865	33,801
Earnings per share after tax (TWD)	4.51	5.23	(0.72)

II. 2023 operation and research results:

The recognitions for the Company's operation and brand are summarized as follows:

1. The Company was recognized by the 9th Corporate Governance Appraisal, ranking in the top 5% among the companies having a market value between TWD 5 billion and TWD 10 billion.
2. Apacer's technology products have won the EE Awards Asia Gold Award for two consecutive years.
3. We have been Invited to the Taiwan Global Brands evaluation for seven consecutive years and received the "Emerging Brands" award.
4. Again, we won the "Golden Award" under the category of Corporate Sustainability Report of TCSA.
5. We were continuously included in the list of top-10 global module manufacturers with our operating revenue.

In terms of research and development, we were constantly dedicated to developing product solutions and technologies that meet market needs. As of the end of 2023, we had accumulated 235 patents issued or pending at home and abroad. At the same time, we also launched the CoreSnapshot 2.0 technology that can perform multiple backup and restoration cycles; the industry's first DDR5 positive wide-temperature memory module with industry-grade wide-temperature ICs to provide IPCs with higher performance and reliability; and the enterprise-grade SSD series equipped with CorePower hardware technology focusing on SME's high requirement for industry-grade storage equipment. In addition, with the support of the extensive experience in the development of optical technologies, we continued to accumulate the successful cases of total solutions for our intelligent automated testing technology.

In light of the international trend of sustainability, we launched the world's first completely lead-free memory module that surpasses the current EU RoHS environmental protection standard and a patented multi-functional extension module, and we transformed the SSD SV25T Series that can reduce carbon emissions. With these, we responded to the expectation of all the stakeholders to environmental sustainability. In addition to integrating product technology with sustainability issues, the achievements of sustainability governance included appointing an information security officer to ensure information security, carrying out greenhouse gas inventory and external audit for the operation headquarters ahead of schedule, long-term adoption of local coffee trees to care for local small farmers, and encouraging employees to donate blood for volunteer leave, make voluntary donations to social welfare organizations and take other actions in response to the needs of the society.

III. 2024 business plan:

(I) Operational strategy

Uphold the brand spirit of "Access the best" and continue to promote the four major operation momentums: **focus on key areas, deploy future technologies, operate digital transformation, and form alliances with strategic partners** to build the sustainable competitiveness of the brand. Realize the vision of becoming a leader in the integration of technology-based information services with the digital storage as the core.

(II) Development strategies

Integrate internal resources to strengthen the connection between R&D of technology and new products and optimize the development of key application areas such as AI, Internet of Things, national defense solidification, information and communication, and intelligent automated testing; work with strategic partners to deploy high value-added applications and cultivate growth potential.

(III) Core policies on production and sale

In the face of the volatile global market, Apacer has leveraged its advantages of agile and flexible strategy adjustment, prioritized stable supply of goods to protect customers' interest, while integrating internal and external production resources to strengthen competitive advantages. We will integrate marketing models through multiple data analysis to strengthen sales business and increase international market share to create higher brand value.

Looking forward to 2024, the market is expected to shake off the recession over the past two years. Apacer will grasp the opportunity of this reversal and demonstrate the brand's core value of "keep our word, persist in a better future, and make progress together." We will optimize operating performance and achieve the ESG goals, in the hope to share the results with all stakeholders, including shareholders and strategic partners, and achieve the goal of becoming a leader.

Chairman



General manager



Accounting Manager



Annex II

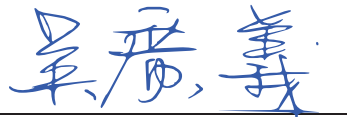
Audit Committee's Review Report

The board of directors drafted the business report, financial statements and proposal on profit distribution for FY 2023. An audit report for the financial statements was prepared jointly by Philip Tang and Shih Wei-ming, certified public accountants (CPAs) of KPMG Taiwan. The review of the business report, financial statements and proposal on profit distribution above did not find any inconsistencies. The review report is thus presented for further examination pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 Shareholders' Meeting of Apacer Technology Inc.

Audit Committee Convener: Max Wu



February 23, 2024

Annex III

Item	Private placement of securities in 2024 Issuance date (stock issuance date): April 16, 2024 Number of shares: 6,041,000 shares
Type of securities privately placed	Common stock
Date of adoption and amount approved by the shareholders' meeting	On May 29, 2023, the issuance of common shares for cash capital increase by way of private placement was approved at the shareholders' meeting, with the number of shares no more than 10,000,000. The process was carried out at 1-2 times within a year upon the date of the resolution of the shareholders' meeting.
The basis for determination of the price and its reasonableness	February 23, 2024 was set as the pricing date of the private placement this time (1st time). According to the resolution of the shareholders' meeting on May 29, 2023, the reference price for the private placement is calculated based on 80% of the higher one of the following two base prices: (A) The simple arithmetical average closing price of the ordinary shares for either the 1, 3 or 5 trading days prior to the pricing date, after deducting the value of bonus shares issued as stock dividends and cash dividends, and adding back the value of the shares canceled in connection with capital reduction, was TWD 60.50, TWD 59.77 and TWD 59.60, respectively, and the simple arithmetical average closing price of the ordinary shares on the trading day right before the selection, after deducting the value of bonus shares issued as stock dividends and cash dividends, and adding back the value of the shares canceled in connection with capital reduction, was TWD 59.77. (B) The simple arithmetic mean of the closing price of the ordinary shares for the 30 business days prior to the pricing date was TWD 57.64, , after deducting the ex-rights and ex-dividend of the free allotment of shares and adding back anti-exclusion and capital reduction. The higher one of the two base prices above or TWD 59.77 was selected as the reference price. After detailed consideration, the actual subscription price of this private placement was determined to be TWD 48.00 per share or 80.31% of the reference price.
The method for selection of specific persons	Subject to Article 43- 6 of the Securities and Exchange Act
Reasons for the necessity of the private placement	In view of the capital market conditions, cost of issuance, timeliness and feasibility of financing by way of private placement, and the restriction that the shares for private placement shall not be transferred freely within three years, a closer long-term partnership with the strategic partners is more likely to be ensured and facilitated accordingly. Therefore, instead of using a public offering, it is planned to use a private placement method to increase cash capital and issue new shares this time.

Full payment date	March 1, 2024				
Information on placees	Private placement target	Qualification	Subscription quantity (TWD)	Relationship with the Company	Involvement in the Company's operations
	Advantech Corporate Investment Ltd.	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	289,968,000	None	None
Actual subscription (or conversion) price	TWD 48 per share				
Discrepancy between the actual subscription (or conversion) price and the reference price	The subscription price of this private placement was TWD 48 per share or 80.31% of the reference price (TWD 59.77), which was not less than the minimum percentage resolved at the shareholders' meeting.				
The effect of the private placement on the shareholders' equity	The Securities and Exchange Act has a restriction of three years on transfers of privately placed securities, and relevant regulations regarding the qualifications for places. Hence, the shareholders' equity is protected at a certain level. Moreover, the Company's working capital can be replenished while the long-term partnership between the Company and the strategic investment partners can be ensured, which is favorable for the stable and permanent development of the Company and thus beneficial to the shareholders' equity.				
Use of the funds raised in the private placement and implementation progress of the plan	All the funds have been utilized for the working capital of the Company.				
Realization of private placement benefits	Replenishing the working capital of the Company to improve the competitiveness in the niche market of industrial control.				
Description of the remaining number of privately placed ordinary shares	On April 17, 2024, the board of directors passed a resolution that the remaining 3,959,000 shares will not be issued as there is no plan to continue the private placement of ordinary shares within the remaining issuance period.				

Annex IV

Apacer Technology Inc. Comparison Table for Clauses Before and After Revisions of the Code of Ethical Conduct

Original	Revised	Description
Article No.: Article 1...Article 4	Article No.: Article 1...Article 4	Unified the format of internal rules
<p>Article 2 Content of the Code</p> <p>The Code of Ethical Conduct of the Company contains the following eight matters:</p> <p>...</p> <p>(8) Disciplinary measures:</p> <p>When a director or managerial officer is found to have violated the Code of Ethical Conduct, the Company will take disciplinary measures in accordance with the Reward and Punishment Management System...</p>	<p>Article 2 Content of the Code</p> <p>The Code of Ethical Conduct established by the Company contains the following eight matters:</p> <p>...</p> <p>(8) Disciplinary measures</p> <p>When a director or managerial officer is found to have violated the Code of Ethical Conduct, it will be deemed as an act of gross negligence and will be dealt with in accordance with Article 10 of the Company's Work Rules and Article 12, Paragraph 1 of the Labor Standards Act...</p>	Unified the format of internal rules, and added words that violation of the Code of Ethical Conduct will be deemed as an act of gross negligence
<p>Article 5 Effectiveness</p> <p>The Company's Code of Ethical Conduct, and any amendments to it, must enter into force after it has been adopted by the board of directors, delivered to each member of the audit committee, and submitted to a shareholders meeting.</p>	<p>Article 5 Effectiveness and Revisions</p> <p>The Code of Ethical Conduct, formulated by the human resources department, must be effective after approval by the board of directors, and reported to the shareholders' meeting report. The same applies to revisions.</p> <p>This Code must come into effect on March 5, 2010.</p> <p>The 1st amendment was made on 2017, 2015.</p> <p>The 2nd amendment was made on December 14, 2017.</p> <p>The 3rd amendment was made on November 5, 2020.</p> <p>The 4th amendment was made on April 17, 2024.</p>	Unified the format and wording of internal rules, and deleted the words reported to the audit committee from the clause
<p>Article 6 The Code was established on March 5, 2010.</p> <p>The 1st amendment was made on March 12, 2015.</p> <p>The 2nd amendment was made on December 14, 2017.</p> <p>The 3rd amendment was made on November 5, 2020.</p>		Already stated in Article 5

Apacer Technology Inc.

Code of Ethical Conduct

Article 1 Purpose of and basis for adoption

For the purpose of encouraging directors, supervisors, and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and helping interested parties better understand the ethical standards of the Company, Apacer Technology Inc. establishes the Code of Ethical Conduct as a basis for compliance.

Article 2 Content of the code

The Code of Ethical Conduct established by the Company contains the following eight matters:

(1) Prevention of conflicts of interest

Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, for example when a director or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The Company must pay special attention to loans of funds, provisions of guarantees, and major asset transactions or purchase (or sale) of goods involving the affiliated enterprise to which such director, supervisor, or managerial officer belongs. The Company must establish a policy aimed at preventing conflicts of interest, and must offer appropriate means for directors or managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.

(2) Avoidance of opportunities for personal gains

The Company must prevent its directors or managerial officers from engaging in any of the following activities:

- 1) Seeking personal gains by using the Company's property, information or taking advantage of their positions;
- 2) Obtaining personal gains by using the Company's property, information or taking advantage of their positions;
- 3) Competing with the company. When the Company has an opportunity for profit, it is the responsibility of the directors or managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.

(3) Duty of confidentiality

Directors or managerial officers has the obligation to keep confidential all information about the Company itself or its suppliers and customers, unless authorized or required by law. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

- (4) Fair trade
Directors or managerial officers must treat the company's customers, competitors, and employees fairly and may not obtain improper benefits by manipulating, concealing, or misusing information obtained based on their duties, making false statements on important matters, or conducting other unfair transactions.
- (5) Protection and use of the Company's assets appropriately
Directors or managerial officers have the responsibility to protect the Company's assets and to ensure that they can be used effectively and legally for official purposes. If they are stolen, neglected or wasted, it will directly affect the company's profitability.
- (6) Compliance with laws and regulations
Directors or managerial officers must further comply with the Securities and Exchange Act and other laws and regulations.
- (7) Encouraging reporting on any illegal or violations of the Code of Conduct
The company shall raise awareness of ethics internally and encourage employees to report to the audit committee, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the Code of Ethical Conduct. To encourage employees to report illegal activities, the Company must establish a whistle-blowing system that allows anonymous reporting and make employees aware that the Company will do its best to protect the safety of reporters and protect them from retaliation.
- (8) Disciplinary measures
When a director or managerial officer is found to have violated the Code of Ethical Conduct, it will be deemed an act of gross negligence and will be dealt with in accordance with Article 10 of the Company's Work Rules and Article 12, Paragraph 1 of the Labor Standards Act. Violation of Code will be immediately disclosed on the MOPS, including the date of violation, the reason for the violation, the violation of the code and disciplinary measures. The company establishes a relevant complaint system to provide violators with remedies.

Article 3 Procedures for exemption

Any exemption for directors or managerial officers from compliance with the Company's Code of Ethical Conduct must be adopted by a resolution of the board of directors, and the information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption must be disclosed without delay on the MOPS. This is done in order for the shareholders to evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the Code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 4 Form of disclosure

The Company must disclose its Code of Ethical Conduct as amended on its website, in its annual report and prospectus and on the MOPS.

Article 5 Effectiveness and revisions

The Code of Ethical Conduct, formulated by the human resources department, must be effective after approval by the board of directors, and reported to the shareholders' meeting report. The same applies to revisions.

This Code must come into effect on March 5, 2010.

The 1st amendment was made on 2017, 2015.

The 2nd amendment was made on December 14, 2017.

The 3rd amendment was made on November 5, 2020.

The 4th amendment was made on April 17, 2024.

Annex V

Apacer Technology Inc. Comparison table for clauses before and after revisions of the Ethical Corporate Management Best Practice Principles

Original	Revised	Description
Article No.: Article 1...Article 26	Article No.: Article 1...Article 26	Unified the format of internal rules
<p>Article 22 Education, training and assessment</p> <p>The chairman, general manager or senior management must regularly communicate the importance of corporate ethics to directors, employees and designees.</p> <p>...</p> <p>The Company must integrate the ethical corporate management policy with employee performance appraisal and human resources policies, and establish a clear and effective reward and punishment system.</p>	<p>Article 22 Education, training and performance evaluation</p> <p>The chairman, CEO, general manager or senior management must regularly communicate to directors, employees and designees the importance of corporate ethics.</p> <p>The Company must integrate the ethical corporate management policy with employee performance appraisal and human resources policies, and establish a clear and effective reward and punishment system.</p>	Unified the format and wording of internal rules and added the part of CEO.
<p>Article 24 Punishment and Complaint System</p> <p>The Company shall adopt and publish well-defined disciplinary and complaint systems for handling violations of the ethical corporate management rules, and shall make immediate disclosure of the title and name of the violator, the date and details of the violation, and the actions taken in response on the Company's internal website.</p>	<p>Article 24 Punishment and Complaint System</p> <p>Anyone found to have violated the Ethical Corporate Management Best Practice Principles clearly stated and announced by the Company will be deemed as an act of gross negligence and will be dealt with in accordance with Article 10 of the Company's work rules and Article 12, Paragraph 1 of the Labor Standards Act, and the job title and name of the violator, date of violation, description of violation and disciplinary measures will be immediately disclosed on the Company's internal website.</p>	Unified the format of internal rules, and added words that violation of the Ethical Corporate Management Best Practice Principles will be deemed as an act of gross negligence
<p>Article 27 Effectiveness</p> <p>The Principles must be effective upon approval by the Board of Directors, and will be sent to the Audit Committee and reported to the Shareholders' Meeting. The same applies to amendments.</p> <p>...</p>	<p>Article 27 Effectiveness and Revisions</p> <p>The Principles, formulated by the human resources department, must be effective after approval by the board of directors, and reported to the shareholders' meeting. The same applies to amendments.</p> <p>...</p> <p>The Principles must come into effect on November 2, 2010.</p> <p>The 1st amendment was made on March 12, 2015.</p> <p>The 2nd amendment was made on December 14, 2017.</p> <p>The 3rd amendment was made on October 25, 2019.</p> <p>The 4th amendment was made on April 17, 2024.</p>	Unified the format and wording of internal rules, and deleted the words reported to the audit committee from the clause

Original	Revised	Description
<p>Article 28 The Principles were created on November 2, 2010.</p> <p>The 1st amendment was made on March 12, 2015.</p> <p>The 2nd amendment was made on December 14, 2017.</p> <p>The 3rd amendment was made on October 25, 2019.</p>		<p>Already stated in Article 27</p>

Apacer Technology Inc.

Ethical Corporate Management Best Practice Principles

Article 1 Purpose and scope of application

This Ethical Corporate Management Best Practice Principles (hereinafter referred to as the "Principles") are hereby created to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

The Principles apply to the Company and its subsidiaries, any legal foundation to which the Company has directly or indirectly made contribution of accumulative funds exceeding 50%, and other organizations or juridical persons, such as business groups and organizations, which are substantially controlled by the Company ("Business Groups and Organizations").

Article 2 Prohibition of unethical conduct

When engaging in business activities, the directors, supervisors, managerial officers, employees, and mandatories of the Company or persons having substantial control over the Company (hereinafter referred to as "Substantial Controllers") must not directly or indirectly offer, promise to offer, request or accept any improper benefits or engage in unethical acts including breach of ethics, unlawful conduct, or breach of fiduciary duty (hereinafter referred to as "Unethical Conduct") for the purpose of acquiring or maintaining benefits.

Targets of the conduct referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or organizations and their directors, supervisors, managerial officers, employees, Substantial Controllers or other stakeholders.

Article 3 Types of benefits

"Benefits" in this Principles shall mean any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name, except for benefits received or given occasionally in accordance with accepted social customs and which do not affect specific rights and obligations.

Article 4 Compliance with laws

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 Policies

The Company shall abide by its management philosophy of honesty, transparency and responsibility, base its policies on ethical principles, and obtain approval of such policies from the Board of Directors. The Company shall also establish good corporate governance and risk control mechanisms so as to create a management environment for sustainable development.

Article 6 Prevention programs

The Company shall, in its ethical management policy, clearly and thoroughly specify ethical management practices and programs for prevention of Unethical Conduct (hereinafter referred to as "Prevention Programs"), including operational procedures, conduct guidelines, and training.

Prevention Programs established by the Company shall comply with the relevant laws and regulations of the place where the Company and its Business Groups and Organizations are operating.

In the course of developing Prevention Programs, the Company is advised to communicate with employees, labor unions, important trading counterparties or other stakeholders.

Article 7 Scope of prevention programs

The Company shall establish a risk assessment mechanism against Unethical Conduct to analyze and assess, on a regular basis, business activities within its business scope which are at a higher risk of involving Unethical Conduct, and establish Prevention Programs accordingly and review their adequacy and effectiveness on a regular basis.

The Company is advised to refer to the domestic and foreign standards or guidelines generally applied in establishing Prevention Programs, which shall include at least preventive measures against the following:

1. Offering and accepting bribes.
2. Providing illegal political contributions.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts, entertainment or other improper benefits.
5. Infringement of trade secrets, trademark rights, patent rights, copyrights and other intellectual property rights.
6. Engaging in unfair competition.
7. Damage directly or indirectly caused to the rights or interests, health or safety of consumers or other stakeholders in the course of research and development, procurement, manufacturing, provision, or sale of products and services.

Article 8 Commitments and execution

The Company shall require its directors and senior management to issue statements of compliance with the ethical management policies and require, in the terms of employment, that employees comply with such policies.

The Company must, in its regulations, external documents and website, expressly specify the ethical corporate management policy and the commitments by the Board of Directors and senior management to thoroughly implementing such policies, and must carry out the policies in internal management and external business activities.

The Company must prepare documented information regarding its ethical management policy, statements, commitments and implementation referred to in Paragraphs 1 and 2 and retain the said information properly.

Article 9 Ethical corporate management of business activities

The Company must conduct business activities in a fair and transparent manner based on the principle of ethical management.

Prior to any business transactions, the Company must take into consideration the legality of their agents, suppliers, clients, or other trading counterparts and whether any of them are involved in Unethical Conduct, and must avoid any dealings with persons so involved.

When entering into contracts with any agents, suppliers, clients, or other trading counterparts, the Company must include in such contracts terms requiring compliance with the ethical corporate management policy, and that in the event the trading counterparts are involved in Unethical Conduct, the Company may at any time terminate or rescind the contracts.

Article 10 No offering and accepting bribes

When conducting business, the Company and its directors, supervisors, managerial officers, employees, mandatories and Substantial Controllers must not directly or indirectly offer, promise to offer, request, or accept any improper benefits in any form to or from customers, agents, contractors, suppliers, public servants or other stakeholders.

Article 11 No providing illegal political contributions

When directly or indirectly giving donations to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managerial officers, employees, mandatories and Substantial Controllers must comply with the Political Donations Act and the Company's relevant internal operational procedures, and must not make such donations in exchange for commercial gains or business advantages.

Article 12 No improper Charitable Donations or Sponsorships

When making or offering donations and sponsorships, the Company and its directors, supervisors, managerial officers, employees, mandatories and Substantial Controllers must comply with relevant the laws and regulations and internal operational procedures, and must not engage in bribery in disguise.

Article 13 No unreasonable gifts, entertainment or other improper benefits

The Company and its directors, managerial officers, employees, assigns and substantial controllers must not directly or indirectly offer or accept any unreasonable gifts, entertainment or other improper benefits for the purpose of establishing commercial relations or influencing commercial transactions.

Article 14 No infringement of intellectual property rights

The Company and its directors, supervisors, managerial officers, employees, mandatories and must comply with the applicable laws and regulations, the Company's internal operational procedures and contractual provisions concerning intellectual property rights, and may not use, disclose, dispose of or damage or otherwise infringe intellectual property rights without prior consent of the owners of intellectual property rights.

Article 15 No engagement in unfair competition

The Company shall engage in business activities in accordance with the applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories or lines of commerce.

Article 16 Product and service protection for the stakeholders

In the course of research and development, procurement, manufacturing, provision or sale of products and services, the Company and its directors, supervisors, managerial officers, employees, mandatories and Substantial Controllers must comply with the applicable laws and regulations and international standards to ensure the transparency of information about,

and safety of, the products and services. They must also adopt and publish policies on the protection of the rights and interests of consumers or other stakeholders, and implement the policies in their operations, with the aim to prevent the products and services from directly or indirectly damaging the rights and interests, health and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall the products or suspend the services immediately.

Article 17 Organization and responsibility

The directors, managerial officers, employees, mandatories and substantial controllers of the Company must exercise the due care of good administrators to urge the Company to prevent Unethical Conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company must establish a responsible department under the Board of Directors and which is provided with adequate resources and competent personnel. The department must be responsible for establishing and supervising the implementation of the ethical corporate management policies and Prevention Programs. The responsible department must be in charge of the following matters, and must report to the board of directors on a regular basis (at least annually):

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing the risk of Unethical Conduct within the Company's business scope, and adopting programs accordingly to prevent unethical conduct and setting out in each program the standard operating procedure and guidelines for conduct.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18 Compliance with laws and regulations in the conduct of business

The Company's directors, managerial officers, employees, assigns and substantial controllers must comply with applicable laws and regulations and prevention programs when conducting business.

Article 19 Avoidance of conflict of interest

The Company must adopt policies for preventing conflicts of interest to identify, monitor, and manage risks of Unethical Conduct possibly resulting therefrom, and must provide appropriate means for directors, supervisors, managerial officers and other stakeholders attending or present at any meeting of the Board of Directors to voluntarily explain whether their interests would potentially conflict with those of the Company.

Where any director or manager of the Company or any other stakeholder attending or present at any meeting of the Board of Directors, or the juristic person represented thereby, has a stake in any proposal at the meeting, that director, managerial officer or stakeholder must explain the important aspects of the stake during the meeting. Where there is a likelihood that the interests of the Company would be prejudiced, that director, manager or stakeholder may not participate in the discussion or vote on that proposal, must recuse himself or herself from any discussion and voting, and may not exercise voting rights on behalf of any other director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

The directors, supervisors, managerial officers, employees, mandatories and substantial controllers of the Company must not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or other persons.

Article 20 Accounting and internal control

The Company shall establish effective accounting and internal control systems for business activities possibly at a higher risk of involving Unethical Conduct. The Company may not have under-the-table accounts or keep secret accounts, and shall conduct reviews at any time to ensure that the design and implementation of the systems are effective.

The Company's internal audit organization must make an audit plan based on the assessment of unethical management risks, including the auditee, scope, items, frequency, etc., and check the compliance with the prevention programs on that basis, and may appoint accountants to perform audits and, when necessary, hire professionals for assistance.

The audit result in the preceding Paragraph must be reported to the senior management and the department dedicated to ethical management, and must be prepared in the form of an audit report to be submitted to the Board of Directors.

Article 21 Standard operating procedure and guidelines for conduct

The Company must establish standard operating procedure and guidelines to provide instructions to its directors, managerial officers, employees and Substantial Controllers on how to conduct business. The procedures and guidelines should at least include the following matters:

1. Criteria for determining whether improper benefits have been offered or accepted.
2. Procedure for offering legitimate political donations.
3. Procedure and standard rates for offering charitable donations or sponsorships.
4. Rules for avoiding work-related conflicts of interest and how they should be reported and dealt with.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.

6. Rules and procedure for dealing with suppliers, customers and transaction counterparts involved in unethical conduct.
7. Procedure for dealing with violations of the Principles.
8. Disciplinary measures to be taken against violators.

Article 22 Education, training and performance evaluation

The chairman, CEO, general manager or senior management must regularly communicate the importance of corporate ethics to directors, employees and designees.

The Company must periodically organize training and awareness programs for its directors, managers, employees, mandatories and substantial controllers and invite the Company's trading counterparts so that they can understand the Company's resolve to implement ethical management, the related policies, prevention programs and the consequences of engaging in unethical conduct.

The Company must integrate the ethical corporate management policy with employee performance appraisal and human resources policies, and establish a clear and effective reward and punishment system.

Article 23 Whistleblowing system

The Company shall establish a specific whistleblowing system and thoroughly implement it. The whistleblowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and announced or provided by an independent external organization, to be used by internal and external personnel of the Company for whistleblowing.
2. Dedicated personnel or department appointed to accept whistleblowing reports. Any report involving any director or member of the senior management must be submitted to the independent directors. Categories of reports and their corresponding standard operating procedure for investigation must be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of reports are completed. Where necessary, a report must be submitted to the competent authorities or referred to judicial bodies.
4. Records of report acceptance, investigation processes, investigation results and relevant documents, and the retention of such records.
5. Confidentiality of the identities of whistleblowers and the contents of reports, and permission for anonymous reporting.
6. Measures for protecting whistleblowers from inappropriate disciplinary actions due to whistleblowing.
7. Whistleblowing incentives.

Where investigation has found any material misconduct or any likelihood of material damage to the Company, the dedicated personnel or department accepting whistleblowing reports must immediately prepare a report and notify the independent directors in writing.

Article 24 Punishment and Complaint System

Anyone found to have violated the Ethical Corporate Management Best Practice Principles clearly stated and announced by the Company will be deemed as an act of gross negligence and will be dealt with in accordance with Article 10 of the Company's work rules and Article 12, Paragraph 1 of the Labor Standards Act, and the job title and name of the violator, date of violation, description of violation and disciplinary measures will be immediately

disclosed on the Company's internal website.

Article 25 Information disclosure

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26 Review and revision of the Ethical Corporate Management Best Practice Principles

The Company must at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers and employees to make suggestions, based on which the adopted Ethical Corporate Management Best Practice Principles will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27 Effectiveness and revisions

The Principles, formulated by the human resources department, must be effective after approval by the board of directors, and reported to the shareholders' meeting.

The same applies to amendments.

Where the Company has appointed any independent directors, when the Ethical Corporate Management Best Practice Principles are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, it must take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it must be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board of Directors meeting in person to express objection or reservations must provide a written opinion before the Board of Directors meeting, unless there is some legitimate reason to do otherwise, and the opinion must be specified in the minutes of the Board of Directors meeting.

The Principles must come into effect on November 2, 2010.

The 1st amendment was made on March 12, 2015.

The 2nd amendment was made on December 14, 2017.

The 3rd amendment was made on October 25, 2019.

The 4th amendment was made on April 17, 2024

Annex VI

Apacer Technology Inc. Comparison Table for Clauses Before and After Revisions of the Procedure for Ethical Management and Guidelines for Conduct

Original	Revised	Description
Article No.: Article 1...Article 22	Article No.: Article 1...Article 22	Unified the format of internal rules
Article 2 Applicable subjects ... The Company's personnel are provided with through a third party...	Article 2 Applicability ... The Company's personnel are provided with through a 3rd party...	Unified the format of internal rules
Article 5 Responsible Department... and must report regularly (at least annually) to the Board of Directors:...	Article 5 Responsible Department... and must report to the board of directors regularly (at least once a year):...	Unified the format of internal rules
Article 6 No offering and accepting improper benefits When the Company's personnel directly or indirectly offer, accept, promise or request the benefits specified in Article 4...	Article 6 No offering and accepting improper benefits When the Company's personnel directly or indirectly offer, accept, promise or request the benefits specified in Article 4...	Unified the format of internal rules
Article 7 Procedure for Dealing with the Acceptance of Improper Benefits Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter must be dealt with in accordance with the following procedures: 1. ... must be... within three days from the date of acceptance... 2. ...Shall be ... within three days from the date of acceptance... The responsible department must make a proposal, based on the nature and value of the benefit under Paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal must be implemented after being reported and approved by the General Manager.	Article 7 Procedure for Dealing with the Acceptance of Improper Benefits Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter must be dealt with in accordance with the following procedures: 1. ... must be... within three days from the date of acceptance... 2. ...Shall be ... within 3 days from the date of acceptance... The responsible department must make a proposal, based on the nature and value of the benefit under Paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal must be implemented after being reported and approved by the CEO.	Unified the format of internal rules and revised general manager to CEO.

Original	Revised	Description
<p>Article 10 Procedure for dealing with charitable donations or sponsorships</p> <p>...If the donation is given to a related party or when the amount provided to a non-related party is TWD 30 million or more, the donation or sponsorship must be provided only after it has been submitted to and approved by the board of directors...</p>	<p>Article 10 Procedure for dealing with charitable donations or sponsorships</p> <p>...If the donation is given to a related party or when the amount provided to a non-related party is TWD 30 million or more, the donation or sponsorship must be provided only after it has been submitted to and approved by the board of directors...</p>	<p>Unified the format of internal rules</p>
<p>Article 23: Internal publicity, establishment of the rewards and punishments and complaint system and disciplinary punishment</p> <p>The responsible department must hold an internal publicity training once a year and arrange for the chairman, general manager or senior management to communicate the importance of ethics to directors, managerial officers, employees and mandatories.</p> <p>The Company must incorporate ethical management into employee performance appraisal and human resources policies.</p> <p>If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.</p>	<p>Article 23 Internal publicity, establishment of the rewards and punishments, and complaint system and disciplinary punishment</p> <p>The responsible department must organize internal publicity every year and arrange for the chairman, CEO, general manager or senior management to communicate the importance of ethics to directors, managerial officers, employees and mandatories.</p> <p>The Company must incorporate ethical management into employee performance evaluation and human resources policies.</p> <p>The Company will deem any breach of ethical conduct by its personnel as an act of gross negligence and deal with the matter in accordance with Article 10 of the Company's Work Rules and Article 12, Paragraph 1 of the Labor Standards Act.</p> <p>...</p>	<p>Unified the format and wording of internal rules</p> <p>Modified, added CEO and breach of ethical conduct deemed as an act of gross negligence</p>
<p>Article 24 Effectiveness</p> <p>The Standard operating procedure and guidelines for conduct, and any amendments hereto, must be effective after resolution by the board of directors, and must be delivered to each member of the audit committee and reported to the shareholders meeting.</p> <p>...</p>	<p>Article 24 Effectiveness and Revisions</p> <p>The Standard operating procedure and guidelines for conduct, formulated by the human resources department, must be effective after approval by the board of directors and reported to the shareholders' meeting. The same applies to revisions.</p> <p>...</p> <p>The Standard operating procedure and guidelines for conduct must come into effect on March 12, 2015.</p> <p>The 1st amendment was made on March 10, 2016.</p> <p>The 2nd amendment was made on December 14, 2017.</p> <p>The 3rd amendment was made on April 16, 2020.</p> <p>The 4th amendment was made on April 17, 2024.</p>	<p>Unified the format and wording of internal rules, and deleted the words reported to the audit committee from the clause</p>

Original	Revised	Description
<p>Article 25 Supplementary</p> <p>These Procedures and Guidelines were established on March 12, 2015.</p> <p>The 1st amendment was made on March 10, 2016.</p> <p>The 2nd amendment was made on December 14, 2017.</p> <p>The 3rd amendment was on April 16, 2020.</p>		<p>Already stated in Article 24</p>

Apacer Technology Inc.

Procedure for Ethical Management and Guidelines for Conduct

Article 1 Purpose of adoption and scope of application

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct. The Procedure for Ethical Management and Guidelines for Conduct are established pursuant to the Ethical Corporate Management Best Practice Principles and the applicable laws and regulations at the places where the Company and its business groups and organizations operate, with a view of providing all personnel of the Company with clear directions for the performance of their duties.

The scope of application of these operating procedures and behavioral guidelines is the same as that listed in Article 1 of the Ethical Corporate Management Best Practice Principles.

Article 2 Applicable subjects

For the purposes of these Procedures and Guidelines, the term "personnel of the corporation" refers to any director, managerial officer, employee or mandatory of the corporation or any of its subsidiaries, or any person having substantial control over such entities.

Any improper benefits provided, promised, requested or accepted by the Company's personnel through a third party must be presumed to have been done by the Company's personnel.

Article 3 Unethical conduct

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly offers, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparts of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 Types of benefits

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 Responsible department

The Company must designate the Human Resource Department as the responsible department, which will be provided with sufficient resources and qualified personnel, (the "responsible department") under the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible department must be in charge of the following matters and must regularly (at least once a year) report to the board of directors:

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing the risk of Unethical Conduct within the Company's business scope, and adopting programs accordingly to prevent Unethical Conduct and setting out in each program the standard operating procedures and conduct guidelines.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Produce and properly preserve documented information such as the ethical management policy and its compliance statement, implementation of commitments and implementation status. .

Article 6 Prohibition against providing or accepting improper benefits

Except under one of the following circumstances, when offering, accepting, promising, or requesting, directly or indirectly, any benefits specified in Article 4, the conduct of the given personnel of the Company must comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and these Procedures and Guidelines, and the relevant procedures must have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Other conducts that comply with the regulations of the Company.

Article 7 Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter must be dealt with in accordance with the following procedures:

1. If there is no relationship of interest between the party offering or promising the benefit and the official duties of the Company's personnel, the personnel must report to their immediate supervisor within three days from the acceptance of the benefit, and the responsible department must be notified if necessary.
2. If a relationship of interest does exist between the party offering or promising the benefit and the official duties of the Company's personnel, the personnel must return or refuse the benefit, and must report to his or her immediate supervisor and notify the responsible department. Where the benefit cannot be returned, then within three days from the acceptance of the benefit, the personnel must refer the matter to the responsible department for investigation.

“A relationship of interest between the party offering or promising the benefit and the official duties of the Company's personnel” as referred to in the preceding paragraph means one of the following circumstances:

1. When the two (2) parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible department must make a proposal, based on the nature and value of the benefit under Paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal must be implemented after being reported and approved by the CEO.

Article 8 Prohibition of and handling procedure for facilitating payments

the Company and the subsidiaries of the Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provide or promises a facilitating payment under threat or intimidation, they must submit a report to their immediate supervisor stating the facts and must notify the responsible department.

Upon receipt of the report under the preceding paragraph, the responsible department must take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible department must also immediately report to the relevant judicial agency.

Article 9 Political impartiality

The Company and its subsidiaries shall maintain political impartiality and not be involved in political contributions. the personnel of the Company shall not talk about and engage in any political activities or post political related posters, publicities or speech materials during the work or at the workplace.

Article 10 Procedure for dealing with charitable donations or sponsorships

Charitable donations or sponsorships that the Company and its subsidiaries provide must be dealt with in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification must be given to the responsible department. If the donation is given to a related party or when the amount provided to a non-related party is TWD 30 million or more, the donation or sponsorship must be provided only after it has been submitted to and approved by the board of directors:

1. The donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. The decision shall be documented.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship must be specific and reasonable, and the subject of the sponsorship may not be a counterpart of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 Avoidance of conflict of interest

When a director or managerial officer of the Company or any of its subsidiaries or any other stakeholders attending or present at a board meeting, or the legal person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, managerial officer or stakeholder must state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, must recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. If a director's spouse, second degree of consanguinity, or a company that has a controlling or subordinate relationship with the director has an interest in the matter of the meeting referred to in the preceding paragraph, the director must be deemed to have his or her own interest in the matter.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel must report the relevant matters to both his or her immediate supervisor and the responsible department, and the immediate supervisor must provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel affect his/her job performance by participating in any commercial activities other than those of the Company.

- Article 12 Intellectual properties protection
- the Company set up a trade secret management team and legal affairs office in charge of formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it must also conduct periodical reviews on the results of the implementation to ensure the sustained effectiveness of the procedures.
- All the employees of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.
- Article 13 No engagement in unfair competition
- The Company and its subsidiaries shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.
- Article 14 Product and service protection for the stakeholders
- The Company and its subsidiaries shall collect and understand the applicable laws and regulations and international standards that they shall observe with respect to their products and services. They shall also gather and publish all the guidelines to have the personnel of the Company to ensure the transparency and security of the information on the products and services in the course of their research and development, procurement, manufacture, provision, or sale.
- The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.
- Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to bring about any hazard to the safety and health of consumers or other stakeholders, the Company shall recall those products or suspend the services right away, verify the facts and present a review and improvement plan.
- The responsible department must report the event referred to in the preceding paragraph, the actions taken, and any subsequent reviews and corrective measures to the board of directors.
- Article 15 Prohibition against insider trading and Non-disclosure agreement
- All the personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or major contract of the Company shall be required to sign a non-disclosure agreement in which they undertake that they will not disclose to any other party any trade secrets or other material information of the Company acquired, and that they may not use such information without the prior consent of the Company.

Article 16 Compliance with a policy that declares ethical conduct

The Company must require directors and senior management to issue a statement of compliance with the ethical management policy, and require employees to comply with the ethical management policy in the terms of employment. The Company and its subsidiaries shall disclose their policies of ethical management in their internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policies in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel be fully aware of their principles and rules with respect to the ethical management.

Article 12 Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparts in commercial dealings, the Company and its subsidiaries shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes. When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures to review its commercial counterpart with respect to the following matters in order to gain a comprehensive knowledge of its ethical management:

1. The firm's country, place of operation, organizational structure, operating policy and place of payment.
2. Whether the firm has adopted an ethical management policy and its implementation.
3. Whether the country where the firm operates is a country with a high risk of corruption.
4. Whether the business of the firm is an industry with high risk of bribery.
5. The firm's long-term operations and goodwill.
6. Consultation of its business partners for their opinions on the firm.
7. Whether the firm has any record of unethical conduct such as bribery or illegal political donations.

Article 17 Statement of ethical management policy to counterparts in commercial dealings

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterpart about the Company's ethical management policy and related regulations, and shall clearly refuse to offer, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 18 Avoidance of dealing with unethical operators

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparts in commercial interactions that are involved in unethical conduct. When any counterpart or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterpart and

blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 19 Incorporation of terms of ethical management in contracts

Before entering into a contract with another party, the Company and its subsidiaries shall gain a thorough knowledge of the status of the other party's ethical management, and shall incorporate compliance with the ethical management policy of the Company in the contract which shall at least contains the following terms and conditions:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the offer, promise, request, or acceptance was made, and the monetary amount or other improper benefits that was offered promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate with the other party in the investigation. If there is any resultant damage to either party, the party may claim from the other party, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Set specific and reasonable payment terms, including the place and method of payment as well as the requirement for compliance with related tax laws and regulations.

Article 20 Handling unethical conduct of the Company's personnel

When the Company and its subsidiaries discover or receive reports of any unethical conduct committed by the Company and its subsidiaries, they must deal with it in accordance with the Whistleblowing System created by the Company.

Article 21 Handling unethical conduct of others towards the company

If any personnel of the Company discover that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and procuratorial authorities. Where a public service agency or public official is involved, the Company shall notify the anti-corruption agency of the government.

Article 22 Internal publicity, establishment of the rewards and punishments and complaint system and disciplinary punishment

The responsible department must organize internal publicity every year and arrange for the chairman, CEO, general manager or senior management to communicate the importance of ethics to directors, managerial officers, employees and mandatories.

The Company must incorporate ethical management into employee performance evaluation and human resources policies, and establish a clear and effective reward, punishment and complaint system.

The Company will deem any breach of ethical conduct by its personnel as an act of gross negligence and deal with the matter in accordance with Article 10 of the Company's Work Rules and Article 12, Paragraph 1 of the Labor Standards Act.

The Company shall disclose on its intranet site the name and title of the violator, the date and detailed information of the violation, and the actions taken in response.

Article 23 Effectiveness and revisions

The standard operating procedure and guidelines for conduct, formulated by the human resources department, must be effective after approval by the board of directors, and reported to shareholders.

The same applies to amendments.

When these Procedures and Guidelines are submitted to the board of directors for discussion, it shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

The Standard operating procedure and guidelines for conduct must come into effect on March 12, 2015.

The 1st amendment was made on March 10, 2016.

The 2nd amendment was made on December 14, 2017.

The 3rd amendment was made on April 16, 2020.

The 4th amendment was made on April 17, 2024.

Annex VII

List of Directors and Independent Director Candidates

Type	Name	Education	Experience	Current position	Number of shares held (shares)
Director	Austin Chen	M.B.A., Department of Management Science, National Chiao Tung University	Acer Inc., Vice President	<ul style="list-style-type: none"> ●Apacer Technology Inc., Chairman and CSO ●Apacer Technology (BVI) Inc. Director ●Darwin Precisions Corp., Independent Director ●JoiUp Technology Inc., Representative of Legal Person as Director ●OtO Photonics Inc., Representative of Legal Person as Director 	1,525,633
Director	Teddy Lu	M.S. of Electrical Engineering and M.B.A., University of California B.S., Department of Electrophysics, National Chiao Tung University	Acer Inc., Operation and Investment Management Business Section, General Manager EcoLumina Technologies Inc., Director Formosa21, Inc., Director iD SoftCapital Inc., Director Dragon Investment Fund Co., Ltd., Director's Representative Stans Foundation, Director JoiUp Technology Inc., Director	<ul style="list-style-type: none"> ●Apacer Technology Inc., Director ●Cyber Power Systems, Inc., Director ●RDC Semiconductor Co., Ltd., Director ●YODN Lighting Corp., Director 	5,699,906
Director	Chang Chia-Kun	M.B.A., Baruch College, City University of New York M.S. in Electrical Engineering, Polytechnic School of Engineering, New York University	Apacer Memory America Inc. General Manager	<ul style="list-style-type: none"> ●Director and CEO of of Apacer Technology Co., Ltd. ●Apacer Technology B.V. Director ●Apacer Technology Japan Corp. 取締役 ●Apacer Electronic (Shanghai) Co., Ltd, Representative of Legal Person as Director ●UD info Corp., Representative of Legal Person as Director 	455,642

Type	Name	Education	Experience	Current position	Number of shares held (shares)
Director	George Huang	B.S., Department of Communications Engineering, National Chiao Tung University	Acer Inc., Chairman Acer Inc., CFO Acer Inc., Co-founder PChome Online Inc., Independent Director	●Apacer Technology Inc., Director ●Les enphants Co. Ltd., Director ●Motech Industries Inc., Director ●BIONET Corp., Independent Director	1,207,041
Director	Chen Ming-Ta	PhD, Aerospace Engineering, University of California, Los Angeles, California, USA Master's in Aerospace Engineering, National Cheng Kung University Bachelor's, Department of Aeronautics and Astronautics, National Cheng Kung University	Most I & T Corporation, President VIA Labs, Inc., Vice Sales President ADATA Technology Co., Ltd., Vice President Silicon Motion, Inc., Vice President	●General Manager of Apacer Technology Co., Ltd. ●UD info Corp., Chairman & President ●FM MEDIA TECHNOLOGY CO., LTD., Director ●Killon International Limited, Chairman	1,990,040
Director	Acer Inc., Representative of Legal Person Hui-Hsiang Chien	Double Bachelor's Degree in Control Engineering and Management Science, National Chiao Tung University	Zenitron Corporation, Assistant Manager	●Acer Inc., President ●AOPEN INC., Chairman ●AOPEN SMARTVISION INCORPORATED, Chairman ●Anxin Tuo Co., Ltd., Chairman	11,928,000
Independent Director	Max Wu	B.S., Department of Electronics Engineering, National Chiao Tung University	Hua Nan Management Consulting Co., Chairman InveStar Capital, Inc., Partner Acer America Corp., president Spring Foundation of NCTU, Chairman	●Gigastone Corp., Independent Director ●Apacer Technology Inc., Independent Director ●Harvatek Corporation, Independent Director ●Novatek Microelectronics Corp., Director ●YODN Lighting Corp., Director ●Antec, Inc., Director ●Cruise10 Co., Ltd, Chairman ●Birch Venture Capital, Inc., Chairman	68,325

Type	Name	Education	Experience	Current position	Number of shares held (shares)
Independent Director	Philip Peng	M.B.A., Department of Business Administration, National Chengchi University	Acer Inc., Senior vice President/CFO	<ul style="list-style-type: none"> ● Apacer Technology Inc., Independent Director ● AU Optronics Corp., Independent Director ● Wistron Corporation, Director ● Wistron NeWeb Corp., Director ● Wistron ITS Corp., Director ● ZIGONG ART SHARING CO., LTD., Director ● Allxon Inc., Supervisor ● Cruise10 Co., Ltd, Director ● SmartStar Technology Inc., Chairman 	527
Independent Director	Cathy Han	MBA, University of Connecticut, USA	CDIB Capital Group, Department of Business Development, Executive Vice President China Development Industrial Bank, Department of Planning, Executive Vice President China Development Industrial Bank, Department of Principal Investment, Senior Vice President	<ul style="list-style-type: none"> ● Wiwynn Corporation, Independent Director ● Apacer Technology Inc., Independent Director ● Macroblock Inc., Independent Director ● AU Optronics Corp., Independent Director 	0

Note: As of April 2, 2024.

Reasons for nomination of independent directors for three consecutive terms:

The Company's independent director candidate, Mr. Max Wu, has served as the Company's independent director for more than three consecutive terms. He has been recognized for his professionalism and ethics, and provided incisive opinions and gave advice on the industry risk, performance management, business operation and corporate governance. He can also make independent judgment and objective opinions on Company's affairs, which is helpful to supervise the Company's operation and protect the rights and interests of the shareholders.

Independent Auditors' Report

To the Board of Directors of Apacer Technology Inc.:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards("IFRSs"), International Accounting Standards("IAS"), interpretations developed by the International Financial Reporting Interpretations committee("IFRIC") or the former standing Interpretations committee("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

1. Valuation of inventories

Please refer to notes 4(h), 5(a) and 6(e) for the accounting policy on inventories, "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of inventory valuation, and "Inventories" for the related disclosures, respectively, of the notes to consolidated financial statements.

Description of key audit matter:

The Group's inventories are measured at the lower of cost and net realizable value. Management is required to make judgments and estimates in determining the net realizable value of inventories on the reporting date. The market prices of the Group's main raw materials, constituting the majority amount of product cost, fluctuate rapidly and the life cycle of certain products of the Group are short, which could possibly result in a price decline and obsolescence of inventories, wherein the inventories cost may exceed its net realizable value, as the Group fails to timely respond to market changes. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included obtaining and understanding the Group's accounting policy of valuation of inventories, performing a retrospective test to evaluate the reasonableness of the accounting policy of valuation of inventories; as well as performing a sample test of the estimated selling price provided by Management to assess the reasonableness of the net realizable value and allowance for inventory valuation loss.

2. Assessment of impairment of goodwill

Please refer to notes 4(m), 5(b) and 6(j) for the accounting policy on impairment of non-financial assets, "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of impairment of goodwill, and "Impairment test on Goodwill" for the related disclosures, respectively, of the notes to consolidated financial statements.

Description of key audit matter:

Goodwill arising from business combination is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of the cash-generating unit of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the estimation base and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and results; and assessing the adequacy of the Group's disclosures with respect to the related information.

Other Matter

Apacer Technology Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified audit opinion.

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

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

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

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

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

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

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

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

6. Obtained 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 remained solely responsible for our audit opinion.

We communicated 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 identified during our audit.

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

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Chieh Tang and Wei-Ming Shih.

KPMG

Taipei, Taiwan (Republic of China)

February 23, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,061,474	17	1,419,376	23
1110	Financial assets at fair value through profit or loss—current (note 6(b))	593	-	980	-
1170	Notes and accounts receivable, net (notes 6(d) and (t))	775,483	12	735,899	12
1180	Accounts receivable from related parties (notes 6(d), (t) and 7)	558	-	377	-
1310	Inventories (note 6(e))	1,490,481	23	955,484	16
1476	Other financial assets—current (note 6(a))	1,567,650	25	1,380,623	23
1479	Other current assets	97,937	1	105,986	2
	Total current assets	<u>4,994,176</u>	<u>78</u>	<u>4,598,725</u>	<u>76</u>
Non-current assets:					
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(c))	35,171	1	29,769	1
1550	Investments accounted for using equity method (note 6(f))	1,351	-	444	-
1600	Property, plant and equipment (notes 6(h) and 8)	915,689	14	917,402	15
1755	Right-of-use assets (note 6(i))	41,516	1	46,445	1
1780	Intangible assets (notes 6(g) and (j))	225,324	4	245,556	4
1840	Deferred income tax assets (note 6(p))	149,142	2	175,117	3
1980	Other financial assets—non-current	6,948	-	5,842	-
1990	Other non-current assets	2,195	-	2,736	-
	Total non-current assets	<u>1,377,336</u>	<u>22</u>	<u>1,423,311</u>	<u>24</u>
	Equity attributable to shareholders of the Company (note 6(q)):				
	Common stock	3100		3100	
	Capital surplus	3200		3200	
	Retained earnings	3300		3300	
	Other equity	3400		3400	
	Total equity attributable to shareholders of the Company	<u>4,308,361</u>	<u>68</u>	<u>4,164,188</u>	<u>69</u>
	Non-controlling interests (notes 6(g) and (q))	36XX		153,710	2
	Total equity	<u>4,462,071</u>	<u>70</u>	<u>4,303,909</u>	<u>71</u>
	Total liabilities and equity	<u>\$ 6,371,512</u>	<u>100</u>	<u>\$ 6,022,036</u>	<u>100</u>
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (note 6(k))	\$ 61,410	1	92,145	2
2120	Financial liabilities at fair value through profit or loss—current (note 6(b))	70	-	1,012	-
2170	Notes and accounts payable	747,199	12	504,327	8
2180	Accounts payable to related parties (note 7)	395,757	6	214,345	4
2200	Other payables (notes 6(u) and 7)	427,860	7	452,284	8
2230	Current income tax liabilities	85,625	2	110,864	2
2250	Provisions—current (note 6(n))	9,494	-	10,544	-
2280	Lease liabilities—current (note 6(m))	19,688	-	15,659	-
2300	Other current liabilities (note 6(t))	70,849	1	206,050	3
2322	Current portion of long-term debt (notes 6(l) and 8)	1,228	-	2,016	-
	Total current liabilities	<u>1,819,180</u>	<u>29</u>	<u>1,609,246</u>	<u>27</u>
Non-current liabilities:					
2540	Long-term debt (notes 6(l) and 8)	22,351	-	28,108	1
2570	Deferred income tax liabilities (note 6(p))	21,064	-	22,894	-
2580	Lease liabilities—non-current (note 6(m))	22,597	-	31,339	1
2640	Net defined benefit liabilities (note 6(o))	24,249	1	19,982	-
2645	Guarantee deposits	-	-	6,558	-
	Total non-current liabilities	<u>90,261</u>	<u>1</u>	<u>108,881</u>	<u>2</u>
	Total liabilities	<u>1,909,441</u>	<u>30</u>	<u>1,718,127</u>	<u>29</u>
	Equity attributable to shareholders of the Company (note 6(q)):				
	Common stock	1,226,882	19	1,226,882	20
	Capital surplus	925,825	15	924,322	15
	Retained earnings	2,245,138	35	2,100,373	35
	Other equity	(89,484)	(1)	(87,389)	(1)
	Total equity attributable to shareholders of the Company	<u>4,308,361</u>	<u>68</u>	<u>4,164,188</u>	<u>69</u>
	Non-controlling interests (notes 6(g) and (q))	153,710	2	139,721	2
	Total equity	<u>4,462,071</u>	<u>70</u>	<u>4,303,909</u>	<u>71</u>
	Total liabilities and equity	<u>\$ 6,371,512</u>	<u>100</u>	<u>\$ 6,022,036</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Revenue (notes 6(t), 7 and 14)	\$ 7,631,446	100	8,797,035	100
5000	Cost of revenue (notes 6(e), (h), (i), (j), (m), (n), (o), (r), 7 and 12)	<u>(5,852,804)</u>	<u>(77)</u>	<u>(7,108,621)</u>	<u>(81)</u>
5900	Gross profit	<u>1,778,642</u>	<u>23</u>	<u>1,688,414</u>	<u>19</u>
6000	Operating expenses (notes 6(d), (h), (i), (j), (m), (n), (o), (r), (u), 7 and 12):				
6100	Selling expenses	(616,833)	(8)	(553,021)	(6)
6200	Administrative expenses	(262,906)	(3)	(259,710)	(3)
6300	Research and development expenses	(188,773)	(3)	(165,679)	(2)
6450	Reversal of (recognized) expected credit losses	404	-	(15,882)	-
6000	Total operating expenses	<u>(1,068,108)</u>	<u>(14)</u>	<u>(994,292)</u>	<u>(11)</u>
6900	Operating income	<u>710,534</u>	<u>9</u>	<u>694,122</u>	<u>8</u>
7000	Non-operating income and loss (notes 6(f), (h), (j), (m) and (v)):				
7100	Interest income	45,211	1	11,009	-
7020	Other gains and losses, net	6,822	-	16,116	-
7050	Finance costs	(13,582)	-	(6,852)	-
7770	Share of losses of associates	(596)	-	(920)	-
	Total non-operating income and loss	<u>37,855</u>	<u>1</u>	<u>19,353</u>	<u>-</u>
7900	Income before income tax	<u>748,389</u>	<u>10</u>	<u>713,475</u>	<u>8</u>
7950	Less: income tax expenses (note 6(p))	<u>(143,677)</u>	<u>(2)</u>	<u>(136,484)</u>	<u>(1)</u>
	Net income	<u>604,712</u>	<u>8</u>	<u>576,991</u>	<u>7</u>
	Other comprehensive income (notes 6(o), (q) and (w)):				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	(4,262)	-	20,565	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	1,652	-	3,713	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	<u>852</u>	<u>-</u>	<u>(4,113)</u>	<u>-</u>
		<u>(1,758)</u>	<u>-</u>	<u>20,165</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	(3,747)	-	34,679	-
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(3,747)</u>	<u>-</u>	<u>34,679</u>	<u>-</u>
	Other comprehensive income for the year, net of income tax	<u>(5,505)</u>	<u>-</u>	<u>54,844</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 599,207</u>	<u>8</u>	<u>631,835</u>	<u>7</u>
8600	Net income attributable to:				
8610	Shareholders of the Company	\$ 553,046	7	559,126	7
8620	Non-controlling interests	<u>51,666</u>	<u>1</u>	<u>17,865</u>	<u>-</u>
		<u>\$ 604,712</u>	<u>8</u>	<u>576,991</u>	<u>7</u>
8700	Total comprehensive income attributable to:				
8710	Shareholders of the Company	\$ 547,541	7	613,970	7
8720	Non-controlling interests	<u>51,666</u>	<u>1</u>	<u>17,865</u>	<u>-</u>
		<u>\$ 599,207</u>	<u>8</u>	<u>631,835</u>	<u>7</u>
	Earnings per share (in New Taiwan dollars) (note 6(s)):				
9750	Basic earnings per share	<u>\$ 4.51</u>		<u>5.23</u>	
9850	Diluted earnings per share	<u>\$ 4.46</u>		<u>5.11</u>	

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Company												
	Retained earnings					Total other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total	Total equity of the Company	Non-controlling interests	Total equity
Balance at January 1, 2022	\$ 1,018,243	389,146	410,715	108,958	1,299,394	1,819,067	(74,366)	(51,415)	(8,941)	(134,722)	3,091,734	136	3,091,870
Capital increase in cash (note 6(q))	110,000	253,000	-	-	-	-	-	-	-	-	363,000	-	363,000
Appropriation of earnings:													
Legal reserve	-	-	47,675	-	(47,675)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	16,825	(16,825)	-	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(294,272)	(294,272)	-	-	-	-	(294,272)	-	(294,272)
Net income in 2022	-	-	-	-	559,126	559,126	-	-	-	-	559,126	17,865	576,991
Other comprehensive income in 2022	-	-	-	-	16,452	16,452	34,679	3,713	-	38,392	54,844	-	54,844
Total comprehensive income in 2022	-	-	-	-	575,578	575,578	34,679	3,713	-	38,392	613,970	17,865	631,835
Issuance of new shares in exchange for other company's shares	98,639	282,176	-	-	-	-	-	-	-	-	380,815	121,720	502,535
Compensation cost arising from restricted stock issued to employees	-	-	-	-	-	-	-	-	8,941	8,941	8,941	-	8,941
Balance at December 31, 2022	1,226,882	924,322	458,390	125,783	1,516,200	2,100,373	(39,687)	(47,702)	-	(87,389)	4,164,188	139,721	4,303,909
Appropriation of earnings:													
Legal reserve	-	-	57,558	-	(57,558)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(38,392)	38,392	-	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(404,871)	(404,871)	-	-	-	-	(404,871)	-	(404,871)
Changes in equity of associates accounted for using equity method	-	1,503	-	-	-	-	-	-	-	-	1,503	-	1,503
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(37,677)	(37,677)
Net income in 2023	-	-	-	-	553,046	553,046	-	-	-	-	553,046	51,666	604,712
Other comprehensive income in 2023	-	-	-	-	(3,410)	(3,410)	(3,747)	1,652	-	(2,095)	(5,505)	-	(5,505)
Total comprehensive income in 2023	-	-	-	-	549,636	549,636	(3,747)	1,652	-	(2,095)	547,541	51,666	599,207
Balance at December 31, 2023	\$ 1,226,882	925,825	515,948	87,391	1,641,799	2,245,138	(43,434)	(46,050)	-	(89,484)	4,308,361	153,710	4,462,071

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ <u>748,389</u>	<u>713,475</u>
Adjustments:		
Depreciation	55,928	52,657
Amortization	25,167	16,007
Recognized (reversal of) expected credit loss	(404)	15,882
Interest expense	13,582	6,852
Interest income	(45,211)	(11,009)
Share-based compensation cost	-	8,941
Share of loss of associates	596	920
Gain on disposal of property, plant and equipment	(711)	(7)
Impairment loss on non-financial assets	<u>46</u>	<u>303</u>
Subtotal	<u>48,993</u>	<u>90,546</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	387	3,502
Notes and accounts receivable	(39,180)	602,398
Accounts receivable from related parties	(181)	2,043
Inventories	(534,997)	769,467
Other current assets	<u>8,724</u>	<u>(8,176)</u>
Net changes in operating assets	<u>(565,247)</u>	<u>1,369,234</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(942)	879
Notes and accounts payable	242,872	(201,810)
Accounts payable to related parties	181,412	(61,438)
Other payables	(24,330)	51,859
Provisions	(1,050)	320
Other current liabilities	(135,201)	24,419
Net defined benefit liabilities	<u>5</u>	<u>6</u>
Net changes in operating liabilities	<u>262,766</u>	<u>(185,765)</u>
Total changes in operating assets and liabilities	<u>(302,481)</u>	<u>1,183,469</u>
Total adjustments	<u>(253,488)</u>	<u>1,274,015</u>
Cash provided by operations	494,901	1,987,490
Interest received	44,130	9,326
Interest paid	(13,676)	(6,658)
Income taxes paid	<u>(143,513)</u>	<u>(192,937)</u>
Net cash provided by operating activities	<u>381,842</u>	<u>1,797,221</u>

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(3,750)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	137,726
Acquisition of subsidiary, net of cash received	-	248,556
Acquisition of property, plant and equipment	(33,766)	(29,118)
Proceeds from disposal of property, plant and equipment	1,019	52
Acquisition of intangible assets	(3,002)	(5,946)
Increase in other financial assets — current	(187,027)	(1,268,183)
Decrease (increase) in other financial assets — non-current	(1,106)	342
Increase in other non-current assets	<u>(1,139)</u>	<u>(885)</u>
Net cash used in investing activities	<u>(228,771)</u>	<u>(917,456)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	(30,735)	(164,834)
Repayment of long-term debt	(6,545)	(22,716)
Decrease in guarantee deposits	(6,558)	(7,287)
Payment of lease liabilities	(20,956)	(17,965)
Cash dividends distributed to shareholders	(404,871)	(294,272)
Capital increase in cash	-	363,000
Distribution of cash dividend by subsidiaries to non-controlling interests	<u>(37,677)</u>	<u>-</u>
Net cash used in financing activities	<u>(507,342)</u>	<u>(144,074)</u>
Effect of foreign exchange rate changes	<u>(3,631)</u>	<u>33,621</u>
Net increase (decrease) in cash and cash equivalents	(357,902)	769,312
Cash and cash equivalents at beginning of year	<u>1,419,376</u>	<u>650,064</u>
Cash and cash equivalents at end of year	<u>\$ 1,061,474</u>	<u>1,419,376</u>

See accompanying notes to the consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Apacer Technology Inc.:

Opinion

We have audited the parent-company-only financial statements of Apacer Technology Inc. (the “Company”), which comprise the parent-company-only balance sheets as of December 31, 2023 and 2022, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2023 are stated as follows:

1. Valuation of inventories

Please refer to notes 4(g), 5(a) and 6(e) for the accounting policy on inventories, "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of inventory valuation, and "Inventories" for the related disclosures, respectively, of the notes to parent-company-only financial statements.

Description of key audit matter:

The Company's inventories are measured at the lower of cost and net realizable value. Management is required to make judgments and estimates in determining the net realizable value of inventories on the reporting date. The market prices of main raw materials of the Company, constituting the majority amount of product cost, fluctuate rapidly and the life cycle of certain products of the Company are short, which could possibly result in a price decline and obsolescence of inventories, wherein the inventories cost may exceed its net realizable value, as the Company fails to timely respond to market changes. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included obtaining and understanding the Company's accounting policy of valuation of inventories, performing a retrospective test to evaluate the reasonableness of the accounting policy of valuation of inventories; as well as performing a sample test of the estimated selling price provided by Management to assess the reasonableness of the net realizable value and allowance for inventory valuation loss.

2. Assessment of impairment of goodwill from investments in subsidiaries

Please refer to notes 4(m), 5(b) and 6(f) for the accounting policy on impairment of non-financial assets, "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of impairment of goodwill, and "Impairment test on Goodwill" for the related disclosures, respectively, of the notes to parent-company-only financial statements.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries, which are included in the carrying amount of investments accounted for using equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of the cash-generating unit of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the estimation base and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and results; and assessing the adequacy of the Company's disclosures with respect to the related information.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

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

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

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

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

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

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

1. Identified and assessed the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, designed and performed 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. Obtained 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. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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. Evaluated 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. Obtained sufficient and appropriate audit evidence regarding the financial information of the investees accounted for using equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remained solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided 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 determined those matters that were of most significance in the audit of the parent-company-only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Chieh Tang and Wei-Ming Shih.

KPMG

Taipei, Taiwan (Republic of China)

February 23, 2024

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
APACER TECHNOLOGY INC.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 541,914	9	797,322	14	2100 Short-term borrowings (note 6(i))	\$ 61,410	1	92,145	2
1110 Financial assets at fair value through profit or loss—current (note 6(b))	593	-	-	-	2120 Financial liabilities at fair value through profit or loss—current (note 6(b))	70	-	1,012	-
1170 Notes and accounts receivable, net (notes 6(d) and (r))	557,877	9	535,434	10	2170 Notes and accounts payable	743,282	12	490,811	9
1180 Accounts receivable from related parties (notes 6(d), (r) and 7)	153,586	3	181,113	3	2180 Accounts payable to related parties (note 7)	352,347	6	134,803	3
1310 Inventories (note 6(e))	1,362,825	23	714,652	13	2200 Other payables (note 6(s))	385,399	7	408,972	8
1470 Other current assets	85,089	1	85,451	2	2220 Other payables to related parties (note 7)	2,158	-	1,583	-
1476 Other financial assets—current (note 6(a))	1,299,670	22	1,197,800	22	2230 Current income tax liabilities	54,042	1	69,610	1
Total current assets	<u>4,001,554</u>	<u>67</u>	<u>3,511,772</u>	<u>64</u>	2250 Provisions—current (note 6(l))	8,308	-	9,500	-
Non-current assets:					2280 Lease liabilities—current (note 6(k))	9,259	-	9,062	-
1517 Financial assets at fair value through other comprehensive income—non-current (note 6(c))	35,034	1	29,616	-	2300 Other current liabilities (note 6(r))	52,308	1	73,419	1
1550 Investments accounted for using equity method (note 6(f))	932,605	15	862,452	16	Total current liabilities	<u>1,668,583</u>	<u>28</u>	<u>1,290,917</u>	<u>24</u>
1600 Property, plant and equipment (note 6(g))	853,020	14	854,215	16	Non-current liabilities:				
1755 Right-of-use assets (note 6(h))	13,043	-	18,700	-	2570 Deferred income tax liabilities (note 6(n))	307	-	-	-
1780 Intangible assets (note 6(i))	33,705	1	39,156	1	2580 Lease liabilities—non-current (note 6(k))	4,161	-	10,065	-
1840 Deferred income tax assets (note 6(n))	132,300	2	164,300	3	2640 Net defined benefit liabilities (note 6(m))	24,249	-	19,982	-
1980 Other financial assets—non-current	2,205	-	2,205	-	Total non-current liabilities	<u>28,717</u>	<u>-</u>	<u>30,047</u>	<u>-</u>
1990 Other non-current assets	2,195	-	2,736	-	Total liabilities	<u>1,697,300</u>	<u>28</u>	<u>1,320,964</u>	<u>24</u>
Total non-current assets	<u>2,004,107</u>	<u>33</u>	<u>1,973,380</u>	<u>36</u>	Equity (note 6(o)):				
					3100 Common stock	1,226,882	21	1,226,882	23
					3200 Capital surplus	925,825	15	924,322	17
					3300 Retained earnings	2,245,138	37	2,100,373	38
					3400 Other equity	(89,484)	(1)	(87,389)	(2)
					Total equity	<u>4,308,361</u>	<u>72</u>	<u>4,164,188</u>	<u>76</u>
Total assets	<u>\$ 6,005,661</u>	<u>100</u>	<u>\$ 5,485,152</u>	<u>100</u>	Total liabilities and equity	<u>\$ 6,005,661</u>	<u>100</u>	<u>\$ 5,485,152</u>	<u>100</u>

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Revenue (notes 6(r) and 7)	\$ 6,627,663	100	8,224,555	100
5000	Cost of revenue (notes 6(e), (g), (i), (k), (l), (m), (p), 7 and 12)	<u>(5,406,242)</u>	<u>(82)</u>	<u>(6,882,195)</u>	<u>(84)</u>
	Gross profit before unrealized gross profit	1,221,421	18	1,342,360	16
5920	Realized (unrealized) gross profit	<u>(1,175)</u>	<u>-</u>	<u>913</u>	<u>-</u>
	Gross profit	<u>1,220,246</u>	<u>18</u>	<u>1,343,273</u>	<u>16</u>
	Operating expenses (notes 6(d), (g), (h), (i), (k), (m), (p), (s), 7 and 12):				
6100	Selling expenses	(367,746)	(5)	(364,460)	(4)
6200	Administrative expenses	(219,155)	(3)	(218,850)	(3)
6300	Research and development expenses	(169,477)	(3)	(159,471)	(2)
6450	Reversal of (recognized) expected credit losses	<u>404</u>	<u>-</u>	<u>(16,673)</u>	<u>-</u>
6000	Total operating expenses	<u>(755,974)</u>	<u>(11)</u>	<u>(759,454)</u>	<u>(9)</u>
	Operating income	<u>464,272</u>	<u>7</u>	<u>583,819</u>	<u>7</u>
	Non-operating income and loss (notes 6(f), (g), (i), (k) and (t)):				
7100	Interest income	27,669	1	5,219	-
7020	Other gains and losses, net	7,026	-	12,332	-
7050	Finance costs	(12,343)	-	(6,217)	-
7070	Share of profits of subsidiaries and associates	<u>155,655</u>	<u>2</u>	<u>73,746</u>	<u>1</u>
	Total non-operating income and loss	<u>178,007</u>	<u>3</u>	<u>85,080</u>	<u>1</u>
	Income before income tax	642,279	10	668,899	8
7950	Less: Income tax expenses (note 6(n))	<u>(89,233)</u>	<u>(2)</u>	<u>(109,773)</u>	<u>(1)</u>
	Net income	<u>553,046</u>	<u>8</u>	<u>559,126</u>	<u>7</u>
	Other comprehensive income (notes 6(m), (n), (o) and (u)):				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	(4,262)	-	20,565	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	1,668	-	3,867	-
8330	Share of other comprehensive income of subsidiaries	(16)	-	(154)	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	<u>852</u>	<u>-</u>	<u>(4,113)</u>	<u>-</u>
		<u>(1,758)</u>	<u>-</u>	<u>20,165</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(3,747)	-	34,679	-
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(3,747)</u>	<u>-</u>	<u>34,679</u>	<u>-</u>
	Other comprehensive income for the year, net of income tax	<u>(5,505)</u>	<u>-</u>	<u>54,844</u>	<u>-</u>
	Total comprehensive income for the year	<u>\$ 547,541</u>	<u>8</u>	<u>613,970</u>	<u>7</u>
	Earnings per share (in New Taiwan dollars) (note 6(q)):				
9750	Basic earnings per share	\$ <u>4.51</u>		\$ <u>5.23</u>	
9850	Diluted earnings per share	\$ <u>4.46</u>		\$ <u>5.11</u>	

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Total other equity						
	Common stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation	Total	Total equity
Balance at January 1, 2022	\$ 1,018,243	389,146	410,715	108,958	1,299,394	1,819,067	(74,366)	(51,415)	-	(134,722)	3,091,734
Capital increase in cash (note 6(o))	110,000	253,000	-	-	-	-	-	-	-	-	363,000
Appropriation of earnings:											
Legal reserve	-	-	47,675	-	(47,675)	-	-	-	-	-	-
Special reserve	-	-	-	16,825	(16,825)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(294,272)	(294,272)	-	-	-	-	(294,272)
Net income in 2022	-	-	-	-	559,126	559,126	-	-	-	-	559,126
Other comprehensive income in 2022	-	-	-	-	16,452	16,452	34,679	3,713	-	38,392	54,844
Total comprehensive income in 2022	-	-	-	-	575,578	575,578	34,679	3,713	-	38,392	613,970
Issuance of new shares in exchange for other company's shares	98,639	282,176	-	-	-	-	-	-	-	-	380,815
Compensation cost arising from restricted stock issued to employees	-	-	-	-	-	-	-	-	8,941	8,941	8,941
Balance at December 31, 2022	1,226,882	924,322	458,390	125,783	1,516,200	2,100,373	(39,687)	(47,702)	-	(87,389)	4,164,188
Appropriation of earnings:											
Legal reserve	-	-	57,558	-	(57,558)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(38,392)	38,392	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(404,871)	(404,871)	-	-	-	-	(404,871)
Changes in equity of associates accounted for using equity method	-	1,503	-	-	-	-	-	-	-	-	1,503
Net income in 2023	-	-	-	-	553,046	553,046	-	-	-	-	553,046
Other comprehensive income in 2023	-	-	-	-	(3,410)	(3,410)	(3,747)	1,652	-	(2,095)	(5,505)
Total comprehensive income in 2023	-	-	-	-	549,636	549,636	(3,747)	1,652	-	(2,095)	547,541
Balance at December 31, 2023	\$ 1,226,882	925,825	515,948	87,391	1,641,799	2,245,138	(43,434)	(46,050)	-	(89,484)	4,308,361

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 642,279	668,899
Adjustments:		
Depreciation	43,109	41,604
Amortization	10,047	9,781
Recognized (reversal of) expected credit loss	(404)	16,673
Interest expense	12,343	6,217
Interest income	(27,669)	(5,219)
Share-based compensation cost	-	8,941
Share of profit of subsidiaries and associates	(155,655)	(73,746)
Gain on disposal of property, plant and equipment	(776)	(48)
Impairment loss on non-financial assets	46	303
Unrealized (realized) gross profit on sales to subsidiaries and associates	1,175	(913)
Subtotal	<u>(117,784)</u>	<u>3,593</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(593)	669
Notes and accounts receivable	(22,039)	562,837
Accounts receivable from related parties	27,527	6,914
Inventories	(648,173)	735,287
Other current assets	1,464	(11,398)
Net changes in operating assets	<u>(641,814)</u>	<u>1,294,309</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(942)	879
Notes and accounts payable	252,471	(176,142)
Accounts payable to related parties	217,544	(68,434)
Other payables	(23,483)	46,415
Other payables to related parties	575	101
Provisions	(1,192)	(724)
Other current liabilities	(21,111)	13,667
Net defined benefit liabilities	5	6
Net changes in operating liabilities	<u>423,867</u>	<u>(184,232)</u>
Total changes in operating assets and liabilities	<u>(217,947)</u>	<u>1,110,077</u>
Total adjustments	<u>(335,731)</u>	<u>1,113,670</u>
Cash provided by operations	306,548	1,782,569
Interest received	26,580	3,528
Dividends received	82,067	-
Interest paid	(12,433)	(6,061)
Income taxes paid	<u>(71,655)</u>	<u>(185,507)</u>
Net cash provided by operating activities	<u>331,107</u>	<u>1,594,529</u>

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	-	110,079
Acquisition of financial assets at fair value through other comprehensive income	(3,750)	-
Acquisition of property, plant and equipment	(31,985)	(28,392)
Proceeds from disposal of property, plant and equipment	1,000	48
Acquisition of intangible assets	(2,916)	(5,946)
Increase in other financial assets — current	(101,870)	(1,108,400)
Decrease in other financial assets — non-current	-	189
Increase in other non-current assets	<u>(1,139)</u>	<u>(885)</u>
Net cash used in investing activities	<u>(140,660)</u>	<u>(1,033,307)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	(30,735)	(159,834)
Payment of lease liabilities	(10,249)	(9,040)
Cash dividends distributed to shareholders	(404,871)	(294,272)
Capital increase in cash	<u>-</u>	<u>363,000</u>
Net cash used in financing activities	<u>(445,855)</u>	<u>(100,146)</u>
Net increase (decrease) in cash and cash equivalents	(255,408)	461,076
Cash and cash equivalents at beginning of year	<u>797,322</u>	<u>336,246</u>
Cash and cash equivalents at end of year	<u><u>\$ 541,914</u></u>	<u><u>797,322</u></u>

See accompanying notes to parent-company-only financial statements.

Annex IX

Apacer Technology Inc. Distribution of 2023 earnings

		TWD:
Undistributed profit at start of FY		1,092,163,401
Add (+): Net profit after tax for 2023	\$ 553,045,519	
Less (-): Remeasurement of confirmed welfare plan recognized as retained profits	<u>(3,409,600)</u>	
The amount of net profit after tax for the period plus items other than net profit for the period included in the current year's undistributed earnings		549,635,919
Less (-): 10% set aside as statutory surplus reserve		(54,963,592)
Earnings set aside as special surplus reserve		(2,093,332)
Distributable profits		1,584,742,396
Items of distribution:		
Cash dividend for shareholders		<u>(405,497,188)</u>
Undistributed profits at end of FY		<u>\$ 1,179,245,208</u>

Chairman: Austin Chen Manager: Chang Chia-kun Accounting Supervisor: Huang Yi-cheng

Annex X

Apacer Technology Inc. Comparison Table for Clauses Before and After Revisions of the Articles of Incorporation

Original	Revised	Description
<p>Article 13:</p> <p>The board of directors shall consist of directors of the Company. The Chairman of the board of directors shall be elected by a majority of directors at a meeting at which more than two-thirds of the directors are present. The Chairman of the board of directors shall externally represent the Company. The board of directors may set up various functional committees.</p> <p>Directors must be informed respectively with a 7-day prior notice about any meeting of the board of directors. The Company may hold the board of directors meeting at any time in case of emergency events. The board of directors meeting may be convened by letter, e-mail or facsimile.</p>	<p>Article 13:</p> <p>The board of directors must consist of directors of the Company. The Chairman of the board of directors must be elected by a majority of directors at a meeting at which more than two-thirds of the directors are present. A Vice Chairperson may be elected from among the board members, depending on the actual needs. The Chairman of the board of directors must externally represent the Company. The board of directors may set up various functional committees.</p> <p>Directors must be informed respectively with a 7-day prior notice about any meeting of the board of directors. The Company may hold the board of directors meeting at any time in case of emergency events. The board of directors meeting may be convened by letter, e-mail or facsimile.</p>	<p>In order to implement corporate governance and strengthen the management function of the Board of Directors, it is proposed to add a Vice Chairman</p>
<p>Article 24:</p> <p>This Articles was established on March 31, 1997.</p> <p>The first amendment was made on July 3, 1997.</p> <p>The second amendment was made on November 11, 1997.</p> <p>The third amendment was made on October 14, 1999.</p> <p>The fourth amendment was made on June 22, 2000.</p> <p>The fifth amendment was made on April 30, 2001.</p> <p>The sixth amendment was made on June 20, 2002.</p> <p>The seventh amendment was made on June 23, 2003.</p> <p>The eighth amendment was made on May 24, 2004.</p> <p>The ninth amendment was made on December 6, 2005.</p> <p>The tenth amendment was made on June 20, 2006.</p> <p>The eleventh amendment was made on May 31, 2007.</p> <p>The twelfth amendment was made on September 14, 2007.</p> <p>The thirteenth amendment was made on June 16, 2009.</p> <p>The fourteenth amendment was made on May 26, 2010.</p> <p>The fifteenth amendment was made on June 13, 2012.</p> <p>The sixteenth amendment was made on June 25, 2013.</p> <p>The seventeenth amendment was made on June 3, 2016.</p> <p>The eighteenth amendment was made on May 26, 2017.</p> <p>The nineteenth amendment was made on May 30, 2018.</p> <p>The twentieth amendment was made on May 28, 2020.</p> <p>The twenty-first amendment was made on July 14, 2021.</p>	<p>Article 24:</p> <p>This Articles was established on March 31, 1997.</p> <p>The first amendment was made on July 3, 1997.</p> <p>The second amendment was made on November 11, 1997.</p> <p>The third amendment was made on October 14, 1999.</p> <p>The fourth amendment was made on June 22, 2000.</p> <p>The fifth amendment was made on April 30, 2001.</p> <p>The sixth amendment was made on June 20, 2002.</p> <p>The seventh amendment was made on June 23, 2003.</p> <p>The eighth amendment was made on May 24, 2004.</p> <p>The ninth amendment was made on December 6, 2005.</p> <p>The tenth amendment was made on June 20, 2006.</p> <p>The eleventh amendment was made on May 31, 2007.</p> <p>The twelfth amendment was made on September 14, 2007.</p> <p>The thirteenth amendment was made on June 16, 2009.</p> <p>The fourteenth amendment was made on May 26, 2010.</p> <p>The fifteenth amendment was made on June 13, 2012.</p> <p>The sixteenth amendment was made on June 25, 2013.</p> <p>The seventeenth amendment was made on June 3, 2016.</p> <p>The eighteenth amendment was made on May 26, 2017.</p> <p>The nineteenth amendment was made on May 30, 2018.</p> <p>The twentieth amendment was made on May 28, 2020.</p> <p>The twenty-first amendment was made on July 14, 2021.</p> <p>The twenty-second amendment was made on May 31, 2024.</p>	<p>To be effective upon the resolution of the shareholders' meeting</p>

Apacer Technology Inc.

Articles of Incorporation

Chapter I - General Provisions

Article 1: The Company is incorporated in accordance with the Company Act under the name of “宇瞻科技股份有限公司” and the English name of “**Apacer Technology Inc**”.

Article 2: The business of this Company shall include the following items:

- | | | |
|----|---------|---|
| 1 | CC01120 | Manufacture and duplication of data storage media |
| 2 | CC01080 | Manufacture of electronic parts and components |
| 3 | F401010 | International trade |
| 4 | F118010 | Wholesale of computer software |
| 5 | F119010 | Wholesale of electronic materials |
| 6 | F218010 | Retail of computer software |
| 7 | F219010 | Retail of electronic materials |
| 8 | I301010 | Computer software services |
| 9 | I301020 | Data processing services |
| 10 | I301030 | Electronic information supply services |
| 11 | CC01101 | Manufacture of controlled telecom radio frequency devices |
| 12 | F401021 | Import of controlled telecom radio frequency devices |
| 13 | F113070 | Wholesale of telecom devices |
| 14 | F213060 | Retail of telecom devices |
| 15 | CC01030 | Manufacture of electric appliances and audiovisual electric products |
| 16 | CC01110 | Manufacture of computers and peripheries |
| 17 | E701040 | Installation of simple telecom equipment |
| 18 | F113050 | Wholesale of computing and business machinery equipment |
| 19 | F113110 | Wholesale of batteries |
| 20 | F213110 | Retail of batteries |
| 21 | F399040 | Retail business without shops |
| 22 | I501010 | Product design |
| 23 | JE01010 | Leasing business |
| 24 | CE01030 | Manufacture of photographic and optical equipment |
| 25 | E603040 | Fire safety equipment installation engineering |
| 26 | E603050 | Cybernation equipment engineering |
| 27 | E606010 | Inspection and maintenance of electricity equipment |
| 28 | E801010 | Interior decoration and upholstery |
| 29 | I101070 | Agriculture, forestry, fishing and animal husbandry consulting services |
| 30 | I103060 | Management consulting services |
| 31 | I199990 | Other consulting services |
| 32 | I301050 | Reality technology services |
| 33 | J101010 | Interactive scenario experience services |
| 34 | ZZ99999 | All other business items that are not prohibited or restricted by laws and regulations, except those that are subject to special approval |

- Article 3: Where the Company is a shareholder of limited liability in another company, the restriction that the total investment shall not exceed 40% of the paid-in capital specified in Article 13 of the Company Act shall not apply to its investment in such company.
- Article 4: The headquarters of the Company is located in New Taipei City, Taiwan, R.O.C. If the Company considers it necessary, it may, with a resolution adopted at a meeting of the Board of Directors, set up branches or offices in Taiwan.
- Article 5: Announcement of the Company is subject to the regulations of the securities regulation body.

Chapter II - Shares

- Article 6: The total amount of the Company's capital stock is TWD 2 billion divided into 200 million billion shares at a par value of TWD 10 per share, and the Board of Directors is authorized to issue these shares at different phases. TWD 150 million of the aforesaid total capital stock shall be divided into 15 million shares at a par value of TWD 10 per share and reserved for exercising stock options against stock option certificates. The board of directors is authorized to issue these shares at different phases upon its resolution.
- Article 6-1: The Company may as a listed company at the emerging stock market issue employee stock option certificates at a subscription price less than the market price. Where the Company may, after becoming a listed company at the stock exchange or OTC market, issue employee stock option certificates at a price lower than the closing price of the Company's ordinary shares on the issue date, the issue of the certificates must be subject to the approval of more than two-thirds of the voting rights represented at a shareholders' meeting at which a majority of the total issued capital stocks are present. The Company may, after becoming a listed company at the stock exchange market, transfer shares to employees at a price less than the average of the actual repurchase price of shares, but the transfer must be subject to the approval of more than two-thirds of the voting rights represented at the latest shareholders' meeting at which a majority of the total issued capital stocks are present.
- Article 6-2: When buying back shares for transfer to employees, the Company may include full-time employees of the Company and its subsidiaries who meet certain conditions. (The "subsidiaries" refer to domestic and overseas subsidiaries that directly or indirectly hold more than 50% of the voting shares of the same invested company).
- Article 6-3: When issuing new shares or employee restricted stocks, the Company may include buying back shares for transfer to employees, the Company may include full-time employees of the Company and its subsidiaries who meet certain conditions. (The "subsidiaries" refer to domestic and overseas subsidiaries that directly or indirectly hold more than 50% of the voting shares of the same invested company).
- Article 7: The share certificates of the Company shall be issued in registered form, signed by, or affixed with the seals of, at least three directors. The shares may be released only after they are authenticated by the competent authority or its designated issue and registration organs. The Company may issue shares without printing physical stocks, but shall register these shares with a securities depository body. The same is applicable to issue of other securities.

Article 7-1: Any plan of the Company to withdraw the public offer of its shares shall be submitted to the shareholders' meeting for approval. This provision shall not be modified or amended during the period in which the Company is listed at the emerging stock, stock exchange or OTC market.

Article 8: All the matters concerning shares shall be handled in accordance with the regulations of the competent authority except as otherwise provided by laws.

Chapter III - Shareholders' Meeting

Article 9: Shareholders' meetings are held in the form of either regular or special meetings. The regular meeting is held once every year, and the Board of Directors shall convene the regular meeting within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the law if necessary.

Article 10: The shareholder who is unable to attend a shareholders' meeting for whatever reasons may appoint a proxy by presenting the letter of attorney provided by the Company and explicitly filling out it with the scope of proxy. Where one person has been appointed to act as a proxy for two or more shareholders, unless such person is a trust business or a stock service agent approved by the competent securities authority, the votes exercised by such person and exceeding three percent (3%) of all the issued capital stock of the Company shall not be counted. The letter of attorney referred to in the previous paragraph proxies shall be delivered to the Company five (5) days before the shareholders' meeting. In case of repetition, only the letter of attorney received earlier shall be effective.

Article 11: Except as otherwise provided by the Company Act, a resolution at any shareholders' meeting may be adopted by the holders of a simple majority of the voting rights represented at a shareholders' meeting at which a majority of the total issued capital stocks are present. Where electronic means are one of the avenues for the exercise of voting rights by shareholders at a shareholders' meeting, procedures related thereto shall be carried out according to relevant regulations of the competent authority.

Chapter IV - Directors and Committees

Article 12: The Company shall have seven (7) ~ nine (9) directors elected at the shareholders' meeting from the roster of nominees. A candidate nomination system is applied for the election. The directors shall have a term of office for three (3) years and are eligible for re-election. The total capital stock held by all the directors shall not be less than the percentage specified by the competent authority according to relevant laws. The Company may buy liability insurance for the directors who shall take the responsibility for the damage in accordance with laws within the scope of their duties.

Article 12-1: The Company shall have three (3) or more independent directors to be included in the number of directors specified in the preceding paragraph. Independent directors are elected at the shareholders' meeting from the roster of nominees, and a candidate nomination system is applied for the election.

The professional competence, shareholding, restriction on part-time jobs, methods for nomination, election and appointment of independent directors, and other matters to the followed are subject to the regulations of the competent securities authority.

Article 12-2: The Company shall establish Audit Committee comprised of all the independent directors. The Audit Committee or the members of the Audit Committee shall be responsible for performing the duties of the supervisors specified in the Company Act, Securities and Exchange Act and other relevant laws and regulations.

Article 13: The board of directors shall consist of directors of the Company. The Chairman of the board of directors shall be elected by a majority of directors at a meeting at which more than two-thirds of the directors are present. A Vice Chairperson may be elected from among the board members, depending on the actual needs. The Chairman of the board of directors shall externally represent the Company. The board of directors may set up various functional committees.

Directors must be informed respectively with a 7-day prior notice about any meeting of the Board of Directors. The Company may hold the Board of Directors meeting at any time in case of emergency events. The board of directors meeting may be convened by letter, e-mail or facsimile.

Article 14: The board of directors shall have the following authority:

- I. To review and supervise annual operation plans;
- II. To decide budgets and review final accounts;
- III. To propose allocation of profits or make-up of losses;
- IV. To propose capital increase or decrease plans;
- V. To review and consider significant capital expenditure plans;
- VI. To establish or terminate branches (including offices);
- VII. To propose and discuss Articles of Incorporation or its amendments;
- VIII. To decide important contracts or other important matters;
- IX. To decide whether to invest in other businesses or dispose of shares held in the invested businesses;
- X. To review and consider major dealings between the Company and its related partners (including affiliated companies);
- XI. To appoint or remove the general manager and/or vice general manager;
- XII. To decide disposal or purchase of important assets, systems, and regulations; and
- XIII. Other powers granted at any shareholders' meeting or in accordance with laws and regulations.

Article 15: Where the chairman of the board of directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act. Where a director is unable to attend the meeting of the board of directors personally for whatever reasons, he/she may appoint another director as his proxy to attend the meeting by issuing a letter of attorney. Each director may act as a proxy for only one director.

Article 16: Unless otherwise provided for in the Company Act, resolutions at the meeting of the board of directors shall be adopted by one-half of the directors at a meeting at which one-half of the directors are present.

Article 16-1: The board of directors is authorized to determine the compensation recommended by the Remuneration Committee for the director with reference to the extent of his/her involvement in and value of his/her contribution to the operation of the Company and the standards of the industry in Taiwan and overseas no matter whether the Company has profits or losses.

If the Company makes a profit during the year, it must allocate no more than 1.4% of the amount as directors' remuneration. Where the Company has any accumulated loss, the remuneration must be appropriated from the balance after such accumulated loss has been covered. The criteria for allocation of the remuneration must be recommended by the Remuneration Committee to the Board of Directors for approval.

Chapter V - Managerial Officers

Article 17: The Company may have a number of managerial officers. Their appointment, dismissal and remuneration shall be subject to Article 29 of the Company Act. The managerial officers have the right to manage the affairs of and sign for the Company within their respective authority.

Chapter VI - Accounting

Article 18: The board of directors shall prepare the (1) business report; (2) financial report; and (3) profit allocation or loss make-up proposal at the end of each fiscal year and submit them to the shareholders' meeting for approval.

Article 19: As the prosperity and development trend of the industry to which the Company belongs change, the Company adopts a balanced dividend policy depending on the yearly surplus and overall external environment as well as relevant laws and regulations, long-term development plans of the Company, and healthy financial structures. Where any cash dividend shall be distributed, it shall occupy at least ten percent (10%) of all the dividends of the current year.

Article 20: Where there is profit in any fiscal year, four percent (4%) or more of the profit shall be appropriated as remuneration for employees. Where the Company has any accumulated loss, the remuneration must be appropriated from the balance after such accumulated loss has been covered.

The employees' remuneration referred to in the previous paragraph may be distributed in the form of cash or stock. The employees eligible for the distribution may include the employees of the affiliated companies who meet the requirements specified by the Board of Directors.

Article 21: The earnings of the Company, if any, in the total final account at the end of any fiscal year shall be used to pay all relevant taxes and make up the losses of the previous years. The Company shall then set aside 10% of the said earnings as a legal reserve, unless such legal reserve amounts to the total authorized capital of the Company. Thereafter, the Company shall set aside or reverse a special reserve in accordance with applicable laws and regulations or any instructions of the competent authority. The remainder of the reserve together with the earnings of the previous years that have not been distributed may be

allocated to shareholders as dividends. Where dividends and bonuses are distributed by issuing new shares, the distribution shall be subjected to the resolution of the shareholders' meeting; where dividends and bonuses are distributed in cash, the distribution shall be subject to a resolution made by a majority of directors at a meeting at which more than two-thirds of the directors are present, and shall be reported to the shareholders' meeting. The Company shall not distribute dividends or bonuses when there is no profit, unless the distribution is made with the reserves pursuant to relevant laws and regulations.

Article 22: The Company may provide endorsements or guarantees externally in relation to its business or investment.

Chapter VII - Supplementary

Article 23: Any matters that are not specified in these Articles of Incorporation shall be subject to the Company Act and other laws and regulations.

Article 24: The Articles of Incorporation were established on March 31, 1997.

The first amendment was made on July 3, 1997.

The second amendment was made on November 11, 1997.

The third amendment was made on October 14, 1999.

The fourth amendment was made on June 22, 2000.

The fifth amendment was made on April 30, 2001.

The sixth amendment was made on June 20, 2002.

The seventh amendment was made on June 23, 2003.

The eighth amendment was made on May 24, 2004.

The ninth amendment was made on December 6, 2005.

The tenth amendment was made on June 20, 2006.

The eleventh amendment was made on May 31, 2007.

The twelfth amendment was made on September 14, 2007.

The thirteenth amendment was made on June 16, 2009.

The fourteenth amendment was made on May 26, 2010.

The fifteenth amendment was made on June 13, 2012.

The sixteenth amendment was made on June 25, 2013.

The seventeenth amendment was made on June 3, 2016.

The eighteenth amendment was made on May 26, 2017.

(All the clauses amended with respect to substitution of an audit committee for the supervisors shall apply only after a new election is held in June, 2018 upon expiration of the term in office of all the current directors or supervisors.)

The nineteenth amendment was made on May 30, 2018.

The twentieth amendment was made on May 28, 2020.

The twenty-first amendment was made on July 14, 2021.

The twenty-second amendment was made on May 31, 2024.

Annex XI

Apacer Technology Inc. Comparison Table for Clauses Before and After Revisions of the Procedure for Acquisition or Disposal of Assets

Original	Revised	Description
<p>Article 4: Assessment and operation procedures for acquisition or disposal of assets</p> <p>I to II (omitted)</p> <p>III. For the assessment of derivatives, the financial manager shall convene a regular meeting of related personnel to review the operation strategy and performance. In principle, the trading position and performance shall be reported to the finance department head of the Financial Management Division weekly, to the CFO monthly, and to the General Manager quarterly.</p> <p>IV to V (omitted)</p>	<p>Article 4: Assessment and operation procedures for acquisition or disposal of assets</p> <p>I to II (omitted)</p> <p>III. For the assessment of derivatives, the financial manager shall convene a regular meeting of related personnel to review the operation strategy and performance. In principle, trading positions and performance must be reported to the head of the finance department of the financial management center every week, to the CFO every month, and to the CEO every quarter.</p> <p>IV to V (omitted)</p>	<p>Cooperate in the Company's organizational adjustments and revisions.</p>
<p>Article 5: Procedure for approving the acquisition or disposal of assets</p> <p>I. (omitted)</p> <p>II. Authorized limit and level</p> <p>For acquisition or disposal of any assets in the following circumstances, the responsible department must make decision within its authorization. However, any acquisition or disposal subject to Article 185 of the Company Act must be reported to the shareholders' meeting for approval beforehand:</p> <p>(I) Acquisition or disposal of securities: Except the following circumstances, the board of directors shall approve the acquisition or disposal.</p> <ol style="list-style-type: none"> 1. The board of the directors authorizes the General Manager to approve and execute to the amount of TWD 30 million and report to the board of directors for reference afterwards. 2. For the acquisition or disposal of securities trading on the centralizes securities exchange or over-the-counter market, the board of the directors authorizes the General Manager to approve and execute to the amount of TWD 50 million and report to the board of directors for reference afterwards. 3. When investing in short-term government bonds, domestic bond funds, financial bonds and short-term idle funds of The USA government bonds, the General Manager is 	<p>Article 5: Procedure for approving the acquisition or disposal of assets</p> <p>I. (omitted)</p> <p>II. Authorized limit and level</p> <p>For acquisition or disposal of any assets in the following circumstances, the responsible department must make decision within its authorization. However, any acquisition or disposal subject to Article 185 of the Company Act must be reported to the shareholders' meeting for approval beforehand:</p> <p>(I) Acquisition or disposal of securities: Except the following circumstances, the board of directors shall approve the acquisition or disposal.</p> <ol style="list-style-type: none"> 1. The board of directors authorizes the CEO to approve and execute any amount no more than TWD 30 million, and then report to the board of directors for approval. 2. To acquire or dispose of securities traded in the centralized trading market or securities dealers' business premises, the board of directors authorizes the CEO to approve and execute any amount no more than TWD 50 million, and then report to the board of directors for approval. 3. When investing in short-term government bonds, domestic bond funds, financial bonds and short-term idle funds of USA government bonds, the CEO is authorized to approve and 	<ol style="list-style-type: none"> 1. Cooperate in the Company's organizational adjustments and revisions. 2. Consider the overall business plan of the Company and revise the approval authority.

Original	Revised	Description
<p>authorized to approve and execute the investment if it is less than TWD 50 million each deal or day. Otherwise, the consent of the Chairman of the board is needed.</p> <p>(II) (omitted)</p> <p>(III) Acquisition or disposal of any fixed assets or their right-of use assets needs the approval from the board of directors if the transaction price is more than TWD 50 million. Otherwise, the board of the directors authorizes the chairperson of the board to approve and execute to the amount from more than TWD 30 million to less than TWD 50 million (incl.), or authorizes the General Manager to approve and execute to the amount of TWD 30 million.</p> <p>(IV) The authorization to acquire or dispose of derivatives must be based on the company's turnover growth and changes in risk positions, must be approved by the general manager and the CFO, and must be reported to the board of directors for approval. Any amendment shall be approved by the chairperson of the board. Details of the authorized limit will be regulated separately.</p> <p>(V) For the acquisition or disposal of patents, copyrights, trademark rights, franchise rights, and other intangible assets or their right-of-use assets, the board of directors authorizes the chairperson of the board to approve and execute to the amount of TWD 50 million.</p> <p>(VI) (omitted)</p> <p>III. Responsible department: The department in charge of handling the securities and derivatives is the Financial Management Division of the Financial Management Division, while the department in charge of handling the real property and other fixed assets, intangible assets, memberships, and assets acquired or disposed through mergers, demergers, acquisitions, or Transfer of Shares in accordance with laws is the using department and related responsible departments.</p>	<p>execute the investment for no more than TWD 50 million each deal or day. Otherwise, the consent of the Chairman of the board is required.</p> <p>(II) (omitted)</p> <p>(III) Acquisition or disposal of any fixed assets or their right-of use assets requires the approval from the board of directors if the transaction price is more than TWD 50 million. Otherwise, the board of the directors authorizes the chairperson of the board to approve and execute to the amount from more than TWD 30 million to no more than TWD 50 million, or authorizes the CEO to approve and execute any amount no more than TWD 30 million.</p> <p>(IV) The authorization to acquire or dispose of derivatives must be based on the company's turnover growth and changes in risk positions, must be approved by the CEO and CFO, and must be reported to the Board of Directors for approval. Any amendment shall be approved by the chairperson of the board. Details of the authorized limit will be regulated separately.</p> <p>(V) Acquisition or disposal of intangible assets such as patents, copyrights, trademarks, franchises, or assets with the right to use them, if the transaction amount authorized by the board of directors is no more than TWD 50 million and more than TWD 30 million, must be approved and executed after the chairman of the board agrees. If the amount is no more than TWD 30 million, it must be approved and executed after the CEO is authorized to agree.</p> <p>(VI) (omitted)</p> <p>III. Responsible department: The responsible department for securities and derivatives is the Financial Management Center, which deals with immovable property, other fixed assets, intangible assets, membership certificates and assets acquired or disposed of in accordance with legal mergers, divisions, acquisitions or share transfers. The department is the user department and relevant responsible departments.</p>	

Original	Revised	Description
Article 29: This procedure was established on April 24, 2000 The first amendment was made on June 23, 2003. The second amendment was made on May 31, 2007. The third amendment was made on September 2, 2008. The fourth amendment was made on June 13, 2012. The fifth amendment was made on June 25, 2013. The sixth amendment was made on June 13, 2014. The seventh amendment was made on May 26, 2017. The eighth amendment was made on May 30, 2018. The ninth amendment was made on May 30, 2019. The tenth amendment was made on May 31, 2022.	Article 29: These Procedures were established on April 24, 2000. The first amendment was made on June 23, 2003. The second amendment was made on May 31, 2007. The third amendment was made on September 2, 2008. The fourth amendment was made on June 13, 2012. The fifth amendment was made on June 25, 2013. The sixth amendment was made on June 13, 2014. The seventh amendment was made on May 26, 2017. The eighth amendment was made on May 30, 2018. The ninth amendment was made on May 30, 2019. The tenth amendment was made on May 31, 2022. The eleventh amendment was made on May 31, 2024.	Additional revision date

Apacer Technology Inc.

Procedure for Acquisition or Disposal of Assets

Article 1

Purpose of and legal basis

The Procedure for Acquisition or Disposal of Assets is hereby created according to the Securities and Exchange Act, the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and other applicable laws and regulations in order to strengthen management.

Article 2

The term "assets" as used in these Procedures includes the following:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Immovable property (including land, houses and buildings, investment property) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Derivatives.
- VII. Assets acquired or disposed of through merger, division, acquisition or share transfer by law.
- VIII. Other important assets.

Article 3

Definition

Terms used in these Regulations are defined as follows:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or Transfer of Shares in accordance with the law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to Transfer of Shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as the "Transfer of Shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other

date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier shall prevail. For investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

- V. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- VI. Investment in Mainland China: Refers to investments in the Mainland China Area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- VIII. Over-the-counter venue ("OTC venue", "OTC"): Domestic OTC venue refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; foreign OTC venue refers to a venue at a financial institution that is regulated by a foreign competent authority and permitted to conduct securities transactions.

Article 4

Assessment and operation procedures for acquisition or disposal of assets

I. Acquisition or disposal of securities

- (I) For the acquisition or disposal of securities on the centralized securities exchange or over-the-counter market, the responsible department must submit the reason, object, and price reference basis of planned acquisition or disposal to the responsible authority for final decision.
- (II) For the acquisition or disposal of securities not trading on the centralized securities exchange or over-the-counter market, the responsible department must submit the reason, object, trading counterpart, transfer price, collection and payment terms, and price reference basis of planned acquisition or disposal to the responsible authority for final decision prior to the date of occurrence.

- II. For the acquisition or disposal of real property and other fixed assets, memberships, intangible assets, and assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with laws, the responsible department must submit the reason, object, trading counterpart, transfer price, collection and payment terms, and the price reference basis of planned acquisition or disposal to the responsible authority for final decision prior to the date of occurrence.
- III. For the assessment of derivatives, the financial manager shall convene a regular meeting of related personnel to review the operation strategy and performance. In principle, trading positions and performance must be reported to the head of the finance department of the financial management center every week, to the CFO every month, and to the CEO every quarter.
- IV. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that acquire or dispose assets shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since completion of service of the sentence, expiration of the period of a suspended sentence, or a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers. These different professional appraisers or appraisal officers shall not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph must comply with the self-regulatory regulations of each trade association to which they belong and the following matters:

1. Before accepting a case, they must carefully assess their own professional capabilities, practical experience and independence.
 2. When executing a case, they must appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion must be fully and accurately specified in the case working papers.
 3. They must undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
 4. They must issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.
- V. All the operations related to acquisition and disposal of assets shall be conducted in accordance with the internal control regulations of the Company.

Article 5 Approval procedures for acquisition or disposal of assets

- I. Price determination method and reference basis
 - (I) The price of the securities trading on the centralized securities exchange or over-the-counter market shall be determined based on the current market price. The price of the securities that are not acquired or disposed on the centralized securities exchange or over-the-counter market be determined in consideration of the net asset value of each share, profitability, potential of development, and the current transaction price.
 - (II) Immovable property and other fixed assets or their right-of-use assets must be acquired or disposed of through price comparison, negotiation or tender. The price of real property should be determined with reference to the announced current value, assessed current value and the actual transaction price of the nearby real property.

- (III) For the acquisition or disposal of memberships, the price shall be determined in full consideration of the anticipated added value and profit in the future.
- (IV) For the acquisition or disposal of patents, copyrights, trademark rights, franchise rights, and other intangible assets or their right-of-use assets, the price shall be determined in overall consideration of the factors such as anticipated profit, the level of technical development and innovation, the status of legal protection, the condition of authorization and implementation, and the production or implementation cost, along with any factor concerning the licensor and licensee.

II. Authorized limit and level

For acquisition or disposal of any assets in the following circumstances, the responsible department must make decision within its authorization. However, any acquisition or disposal subject to Article 185 of the Company Act must be reported to the shareholders' meeting for approval beforehand:

- (I) Acquisition or disposal of securities: Except the following circumstances, the board of directors shall approve the acquisition or disposal.
 - 1. The board of directors authorizes the CEO to approve and execute any amount no more than TWD 30 million, and then report to the board of directors for approval.
 - 2. To acquire or dispose of securities traded in the centralized trading market or securities dealers' business premises, the board of directors authorizes the CEO to approve and execute any amount no more than TWD 50 million, and then report to the board of directors for approval.
 - 3. When investing in short-term government bonds, domestic bond funds, financial bonds and short-term idle funds of USA government bonds, the CEO is authorized to approve and execute the investment for no more than TWD 50 million each deal or day. Otherwise, the consent of the Chairman of the board is required.
- (II) Acquisition or disposal of any real property or its right-of-use assets needs the approval from the board of the directors, unless the board of the directors authorizes the General Manager to approve and execute to the amount of TWD 50 million and report to the board of directors for reference afterwards.
- (III) Acquisition or disposal of any fixed assets or their right-of use assets requires the approval from the board of directors if the transaction price is more than TWD 50 million. Otherwise, the board of the directors authorizes the chairperson of the board to approve and execute to the amount from more than TWD 30 million to no more than TWD 50 million, or authorizes the CEO to approve and execute any amount no more than TWD 30 million.
- (IV) The authorization to acquire or dispose of derivatives must be based on the company's turnover growth and changes in risk positions, must be approved by the CEO and CFO, and must be reported to the Board of Directors for approval. Any amendment shall be approved by the chairperson of the board. Details of the authorized limit will be regulated separately.

- (V) Acquisition or disposal of intangible assets such as patents, copyrights, trademarks, franchises, or assets with the right to use them, if the transaction amount authorized by the board of directors is no more than TWD 50 million and more than TWD 30 million, must be approved and executed after the chairman of the board agrees. If the amount is no more than TWD 30 million, it must be approved and executed after the CEO is authorized to agree.
- (VI) When the Company, its subsidiaries, or its subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital engage in the following transactions with each other, the board of directors authorizes the chairman to make decisions no more than TWD 50 million, and report to the next meeting of the board of directors for approval afterwards:
 - 1. Acquisition or disposal of equipment for operating use or its right-to-use assets.
 - 2. Acquisition or disposal of property use rights assets for operating use.

III. Responsible department:

The responsible department for securities and derivatives is the Financial Management Center, which deals with immovable property, other fixed assets, intangible assets, membership certificates and assets acquired or disposed of in accordance with legal mergers, divisions, acquisitions or share transfers. The department is the user department and relevant responsible departments.

Article 6

Procedures for public announcement and reporting

- I. If the Company acquires or disposes of assets under any of the following circumstances, it must make an announcement and report the information on the website designated by the Securities and Futures Commission within two days from the date of occurrence according to the nature and in the prescribed format:
 - (I) Acquisition or disposal of real property or its right-of use assets or any assets other than real property or its right-of use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or TWD 300 million or more.
 - (II) Merger, demerger, acquisition, or transfer of shares.
 - (III) Losses from derivatives trading reaching the upper limits of aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. The Company's paid-in capital is less than TWD 10 billion, and the transaction amount exceeds TWD 500 million.
 - 2. The Company's paid-in capital is TWD 10 billion or more, and the transaction amount amounts to TWD 1 billion or more.
 - (V) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and

furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches TWD 500 million.

- (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the Mainland China area reaches 20 percent (20%) or more of the Company's paid-in capital or TWD 300 million; provided, this shall not apply to the following circumstances:
1. Buy and sell domestic public bonds or foreign public bonds with a credit rating no lower than the ROC's sovereign rating.
 2. Buy and sell bonds with buy-back and sell-back terms.
 3. Subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. The amount of transactions referred to in the previous paragraph shall be calculated as follows:
- (I) The amount of any individual transaction;
 - (II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying assets with the same trading counterpart in the preceding year;
 - (III) The cumulative transaction amount of real property or its right-of use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project in the preceding year;
 - (IV) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same securities in the preceding.
 - (V) "in the preceding year" as used in the preceding three subparagraphs refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted in the transaction amount.
- III. The Company shall compile monthly reports on the status of the derivatives that the Company and any of its non-public subsidiaries in Taiwan traded up to the end of the preceding month, and shall enter the information in the prescribed format into the information reporting website designated by the Securities and Futures Institute before the 10th day of each month.
- IV. When the Company at the time of public announcement makes an error or omission in any items required by laws and regulations to be publicly announced and so is required to correct them, all of such items shall be publicly announced and reported again in their entirety within two (2) days from the date on which the Company identifies such error or omission.
- V. When acquiring or disposing any assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and the documented opinions of the CPA, attorney, and securities underwriter at the Company's headquarters. Except as otherwise specified in laws, these documents shall be retained at least for five (5) years.
- VI. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with this article, a public report of relevant information shall be made on the information

reporting website designated by the Securities and Futures Institute within two (2) days from the date of occurrence:

- (I) Any change, termination, or rescission of a contract signed with regard to the original transaction;
- (II) The merger, demerger, acquisition, or transfer of shares not completed on or before the scheduled date set forth in the contract;
- (III) Any change to the originally publicly announced and reported information.

VII. For the calculation of ten percent (10%) of total assets set forth in Paragraph 1, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall apply.

Article 7

Scope and limit of acquisition or disposal of assets

- I. In addition to the assets or the right-of-use assets for business use, the Company may invest in real property or its right-of-use assets and securities not for business use subject to the following limits:
 - (I) The total amount of the real property or its right-of-use assets not for business use shall not exceed the shareholder's equity of the Company that has been audited by the CPAs and forty percent of the long-term liability;
 - (II) The total amount of investment in securities shall not exceed the shareholder's equity of the Company that has been audited by the CPAs;
 - (III) The amount of investment in any individual securities must not exceed 40% of the shareholders' equity audited by CPAs.
- II. The following limitations shall apply to the acquisition or disposal of assets by a subsidiary that has stock or combined stock holdings of the Company reaching fifty percent or more:
 - (I) The subsidiary is not allowed to purchase real property or its right-of use assets not for business use;
 - (II) The total amount of investment in securities must not exceed 40% of the shareholders' equity audited by CPAs.
 - (III) The amount of investment in any securities shall not exceed twenty percent of the shareholder's equity of the Company that has been audited by the CPAs.

Article 8

Control procedures for acquisition or disposal of assets with a subsidiary as the counterpart

- I. For the acquisition or disposal of assets by the Company's reinvested subsidiary, the Procedures for Acquisition or Disposal of Assets must be established in accordance with regulations and submitted to the board of directors for approval. The same must apply to amendments.
- II. For the assets acquired or disposed by any subsidiary of the Company, which is not a domestic public company, the Company shall make public announcement, report, and send a duplicate to relevant authorities if such acquisition or disposal meets the criteria of announcement and reporting.
- III. Acquisition or disposal of assets made by the subsidiary referred to in the previous paragraph must be subject to the criteria of announcement and reporting set forth in Article 6, Paragraph 1. The paid-in capital and total assets of the Company must apply to calculation of the twenty percent of the paid-in capital or ten percent of the total

assets specified in the same article.

Article 9

Penalties for violation of the Procedures by related persons

Any related persons the company who act in violation of the Procedures shall be subject to penalties in accordance with the relevant regulations on personnel management of the Company.

Article 10

Professional appraiser's appraisal reports

In acquiring or disposing of real property, equipment or their right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or TWD 300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets for business use, and when the Company acquires or disposes from or to a related party and the transaction amount reaches 10 percent or more of the company's total assets, shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions:

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction must be submitted for approval in advance by the board of directors, and the same procedure must be followed for any future changes to the terms and conditions of the transaction.
- II. If the transaction amount is TWD 1 billion or more, two or more professional appraisers must be hired for valuation.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant must be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (I) The discrepancy between the appraisal result and the transaction amount is 20 percent (20%) or more of the transaction amount.
 - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction.
- IV. No more than three (3) months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Where the publicly announced current value for the same period is used and not more than six (6) months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 11

CPA's opinion

- I. If the Company has any of the following circumstances, and the transaction amount reaches 20% of the company's paid-in capital or more than TWD 300 million, except for a transaction with a domestic government department, it must engage a CPA before the date of occurrence to express an opinion on the reasonableness of the transaction price:
 - (I) Acquisition or disposal of securities that are not trading on the stock exchange or over-the-counter market.

(II) Acquisition or disposal of private placements of securities.

- II. If the Company acquires or disposes of intangible assets or their right-of-use assets or membership cards with a transaction amount exceeding 20% of its paid-in capital or TWD 300 million, except for a transaction with a domestic government department, it must engage a CPA to express an opinion on the reasonableness of the transaction price before the date of occurrence.
- III. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be a replacement of the appraisal report or CPA opinion.
- IV. If the transaction amount of assets acquired or disposed of by the Company and related parties reaches more than 10% of the Company's total assets, it must obtain an appraiser report issued by a professional appraiser or a CPA's opinion in accordance with the preceding three paragraphs.

Article 11-1 The calculation of transaction amount referred to in Article 10 and Article 11, Paragraph 1, 2 and 4 shall be done in accordance with Paragraph 2, Article 6 herein. "Within one year" refers to the year preceding the date on which the current transaction occurs. The part that has obtained an appraisal report from a professional appraiser or a CPA's opinion in compliance with the Procedures does not need to be counted in the transaction amount.

Transaction with related party

Article 12 When the Company acquires or disposes of real property or its right-of-use assets or any assets other than real property or its right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or TWD 300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not enter into any transaction contract or make a payment until the following matters have been adopted by more than half of all the audit committee members, and approved by the board of directors:

- I. Purpose, necessity and expected benefits of/from acquisition or execution of assets.
- II. The reason for choosing the related party as a transaction counterpart.
- III. With respect to acquisition of real property or its right-of-use assets from a related party, information about the assessment of the reasonableness of the pre-determined transaction terms as specified in Article 13 and Article 14.
- IV. The date and price on and at which the related party originally acquired the real property, the original transaction counterpart of the related party, and the relationship of the counterpart with the Company and the related party.
- V. The monthly cash flow forecasts for the year commencing from the month in which the contract is intended to be entered into, assessment of the necessity of the transaction, and the reasonableness of the use of funds.
- VI. The appraisal report from a professional appraiser or the opinion of a CPA as specified in Article 10 and Article 11.
- VII. Restrictions and other important covenants for the transaction concerned.

If the Company or its subsidiaries that are not domestic public companies have transactions in the first paragraph, and the transaction amount reaches more than 10% of the Company's

total assets, the Company must submit the information listed in the first paragraph to the shareholders' meeting for approval before signing the transaction contract and making payment. However, this does not apply to transactions between the Company, its subsidiaries, or their subsidiaries.

The transaction amount referred to in the preceding two paragraphs must be calculated in accordance with Paragraph 2, Article 6 hereof. "Within one year" refers to the year preceding the date on which the current transaction occurs. The part that has been agreed by more than half of all members of the audit committee, approved by the board of directors according to the Procedure will not be included in the transaction amount..

Article 13

When a company acquires immovable property or its right-to-use assets from a related party, it must evaluate the reasonableness of transaction costs by the following means:

- I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property.
- II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent (70%) or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one (1) year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparts.
- III. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- IV. Where the Company acquires real property or its right-of-use assets from a related party and appraises the cost of the real property or its right-of-use assets in accordance with Paragraph 1 and 2, it must also engage a CPA to check the appraisal and render a specific opinion.
- V. Where a public company acquires real property or its right-of-use assets from a related party and one of the following circumstances exists, the acquisition must be conducted in accordance with Article 12 and the preceding four subparagraphs do not apply:
 - (I) The related party acquired the real property or its right-of-use through inheritance or as a gift.
 - (II) More than five years have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the signing date for the current transaction.
 - (III) The real property is acquired through signing a joint development contract with a related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (IV) Right-of-use assets of real property for operating use is acquired by a public company and its parent company or subsidiary or between subsidiaries in

which such company directly or indirectly holds 100% of the issued shares or authorized capital

Article 14

When the results of the Company's appraisal conducted in accordance with Subparagraphs 1, 2 and 3 of the preceding article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 15, unless the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA:

- I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (I) Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three (3) years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (II) Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard market practices of real property sales or lease.
- II. Where the Company acquires real property or its right-of-use assets from a related party and provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Transactions for neighboring or closely valued parcels of land in the preceding paragraph refer in principle to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value. Transactions for similarly sized parcels in principle refer to transactions by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction. "Within the preceding year" refers to the year preceding the date of occurrence of the acquisition of the real property or its right-of-use assets.

Article 15

Where the Company acquires real property or its right-of-use assets from a related party and all the results of the appraisal made in accordance with Article 13 and Article 14 are lower than the transaction price, the following measures must be taken:

- I. A special surplus reserve must be set aside for the difference between the transaction price of the immovable property or its right-of-use assets and the appraised cost.
- II. Independent director members of the audit committee shall be subject to Article 218 of the Company Act.
- III. The implementation status pursuant to Subparagraph 1 and Subparagraph 2 shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

If the company sets aside a special surplus reserve in accordance with the preceding paragraph, it must wait until the asset purchased or leased at a high price has been recognized as a depreciation loss or disposed of or the contract has been terminated or appropriate compensation or restoration to its original condition, or there is other evidence to confirm that it is not unreasonable, and the special surplus reserve may be used only upon consent by the securities regulatory authority.

Where the Company acquires real property or its right-of-use assets from a related party and there is evidence indicating the occurrence of non-arm's length transaction, the action shall be carried out in accordance with Paragraph 2 and 3 above.

Engaging in derivatives transaction.

Article 16 When engaging in derivatives trading, the Company shall pay strict attention to control of the following important risk management and auditing matters, and incorporate them into the Procedures:

- I. Trading principles and strategies: This shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that may be traded, and the maximum loss of total trading and individual contracts.
- II. Risk management measures;
- III. Internal audit system;
- IV. Regular evaluation methods and the handling of irregular circumstances.

Article 17 When engaging in derivatives trading, the Company shall adopt the following risk management measures:

- I. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks;
- II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement;
- III. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making;
- IV. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice (2) per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors; and
- V. Other important risk management measures.

Article 18 Supervision and management principles for the board of directors:

- I. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk;
- II. Periodically assess whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

Supervision and management principles for the senior management personnel authorized by the board of directors:

- I. Regularly evaluate whether the risk management measures currently used are appropriate and are actually implemented in accordance with the procedure and the Company's rules for engaging in derivatives transactions.
- II. When irregular circumstances are identified in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report shall be submitted to the board of directors immediately. The independent director shall be present at the meeting and give opinions.

The Company shall report to the next meeting of the board of directors after authorizing relevant personnel to engage in transaction of derivatives in accordance with the derivatives trading procedure that it establishes.

If the Company does not intend to engage in derivatives trading, it may, after obtaining the approval of the board of directors, be exempted from adopting the preceding procedures governing derivatives trading. If the Company subsequently wishes to engage in derivatives trading, it must still comply with the preceding article and the preceding paragraph.

Article 19

The Company shall establish a log book and the details of the types and amounts of the derivatives trading that the Company is engaged in, the date of the approval that the board of directors grants, and the matters required to be carefully assessed under Article 17, Subparagraph 4 and Article 18, Paragraph 1, Subparagraph 2 and Paragraph 2, Subparagraph 1 shall be recorded in detail in the log book for reference.

The internal audit personnel of the Company shall periodically consider the suitability of the internal control over the trading of derivatives. Such personnel are required to conduct monthly audits of the trading department for its compliance with the derivatives trading procedure and make an audit report. Where any material violation is identified, a written notice shall be sent to each audit committee member.

Corporation mergers, demergers, acquisitions, or Transfer of Shares.

Article 20

When conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness given by an expert may be exempted in the case that the Company merges a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital of the respective subsidiaries.

Article 21

Before the shareholders' meeting, the company shall prepare a public report to shareholders detailing important contractual contents and matters relevant to the merger, demerger, or acquisition, and send it along with the expert's opinion referred to in the preceding article and the notice of shareholders' meeting to the shareholders for reference in deciding whether to approve the merger, demerger, or acquisition, unless the provision of any other laws exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition.

- Where the shareholders' meeting of the Company or any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restrictions, or the proposal is rejected by the shareholders' meeting, the Company shall, without delay, publicly explain the reason, the follow-up measures, and the expected date of the next shareholders' meeting.
- Article 22 Except as otherwise specified in other laws or the FSC is notified in advance of extraordinary circumstances and grants consent, the Company and the companies participating in a merger, demerger, or acquisition shall convene a board of directors' meeting and shareholders' meeting on the same day to resolve matters relevant to the merger, demerger, or acquisition.
- When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a fully documented record of information upon request of the competent authority and retain it well for reference.
- When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall, within two days counting inclusively from the date on which the resolution is adopted by the board of directors, report the information to the competent authority for reference in the prescribed format and via the Internet-based information system.
- Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and the provisions of Paragraphs 2 and 3 shall apply.
- Article 23 Any person participating in or privy to the plan of the Company regarding the merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the contents of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any companies related to the plan for merger, demerger, acquisition, or transfer of shares.
- Article 24 When participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price except for the circumstances below, and shall explicitly specify the circumstances permitting the alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
- I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - II. An action, such as a disposal of major assets that affects the Company's financial status.
 - III. An event, such as a major disaster or major change in technology that affects the shareholder equity or share price.
 - IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares buys back treasury stock.
 - V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - VI. Other prerequisites for alteration that have been stipulated in the contract and publicly disclosed.

- Article 25 The contract for participation of the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
- I. Handling of breach of contract;
 - II. Principles for handling the equity-type securities previously issued or the treasury stock previously bought back by any company that is demerged or extinguished in a merger;
 - III. The number of the treasury stocks that a participating company is allowed to buy back according to laws after the record date of calculation of the share exchange ratio and the handling principles in such case;
 - IV. The manner of handling changes in the number of participating entities or companies;
 - V. Expected execution progress and completion date of the plan; and
 - VI. Scheduled date and relevant procedure for convening the legally mandated shareholders' meeting in case that the plan exceeds the deadline without completion.
- Article 26 After the public disclosure of the Company's participating in the merger, demerger, acquisition, or share transfer, if the Company intends to carry out another merger, demerger, acquisition, or share transfer with other companies, all of the participating companies shall carry out the procedures or legal actions again that have been completed for the previous merger, demerger, acquisition, or share transfer. Where the number of the participating companies decreases and the shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, the Company may be exempted from calling another shareholders' meeting to resolve the matter again.
- Article 27 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with such company and the latter is required to abide by the provisions of Article 22, Article 23 and Article 26.
- Article 28 Other matters
- I. Any part that is not specified in these Procedures shall be subject to relevant laws as well as regulations of the Company. Where the competent authority amends the original issuance order by letter with respect to the procedures for acquisition or disposal of assets, the Company shall abide by the amendment in the new issuance order by letter.
 - II. The Procedure has been adopted by more than half of all the audit committee members. The Procedure and any amendment hereto shall be submitted to the board of directors for approval and presented to the shareholders' meeting for adoption. If any director expresses dissent as recorded in the minutes or a written statement, the Company must send the director's dissent to the members of the audit committee.
 - III. If no approval of more than half of all the audit committee members as required in the preceding paragraph is obtained, the Procedures may be implemented after approval by more than two-thirds of all the directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
The terms "all the audit committee members" and "all the directors" in the preceding paragraph shall be counted based on the actual number of such members or directors currently holding their positions.

- IV. When the Procedures or the acquisition or disposal trading of assets are submitted to the board of directors for discussion pursuant to the preceding two paragraphs, it shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
- V. The chairperson may establish more conservative management principles than those contained in these Procedures. These principles must be implemented in priority after approved by two-thirds of the directors at a board of directors meeting at which two-thirds of the directors are present. The same procedure must be followed when these principles are amended.

Article 29

These Procedures were established on April 24, 2000.

The first amendment was made on June 23, 2003.

The second amendment was made on May 31, 2007.

The third amendment was made on September 2, 2008.

The fourth amendment was made on June 13, 2012.

The fifth amendment was made on June 25, 2013.

The sixth amendment was made on June 13, 2014.

The seventh amendment was made on May 26, 2017.

The eighth amendment was made on May 30, 2018.

The ninth amendment was made on May 30, 2019.

The tenth amendment was made on May 31, 2022.

The eleventh amendment was made on May 31, 2024.

Annex XII

Apacer Technology Inc. Comparison Table for Clauses Before and After Revisions of the Regulations on Engaging in Financial Products Related to Commercial Foreign Exchange Risk Management

Original	Revised	Description
<p>Article 3 Trading Principles and Policies I to III (omitted)</p> <p>IV. Transaction amount: The foreign exchange net position generated from the business operation of the Company is the core. In addition to existing assets and liabilities, it contains the net position that the purchase and sales departments expect to be generated from the foreign currency transactions in the coming twelve (12) months. The hedging amount of the Company must generally not exceed the said foreign exchange net position. Approval from the General Manager and CFO is needed for the net position generated from any foreign currency transactions over six (6) months.</p> <p>V. Essentials of performance evaluation: The performance evaluation basis is the exchange rate cost of the Company's book net position and the profit and loss generated from the transactions of derivative financial products. The finance department evaluates and reviews the operation performance against the market price every week, and submits the results to the CFO and General Manager or his designated person to review and improve the hedging strategies adopted.</p> <p>VI. Loss ceiling: The Company only allows financial transactions for hedging purpose. The upper limits for the losses of all contracts or any single contract in a foreign exchange based financial transaction are listed below according to the risk and the position specified in the contract:</p>	<p>Article 3 Trading Principles and Policies I to III (omitted)</p> <p>IV. Transaction amount: The foreign exchange net position generated from the business operation of the Company is the core. In addition to existing assets and liabilities, it contains the net position that the purchase and sales departments expect to be generated from the foreign currency transactions in the coming twelve (12) months. The hedging amount of the Company must generally not exceed the said foreign exchange net position. If the net position generated by foreign currency transactions is required to exceed six months, it must be approved by the CEO and CFO. If the project is required to exceed 12 months, it must be approved by the CEO and CFO and reported to the Chairman.</p> <p>V. Essentials of performance evaluation: The performance evaluation basis is the exchange rate cost of the Company's book net position and the profit and loss generated from the transactions of derivative financial products. The finance department evaluates and reviews the operating performance based on market prices every week, and reports to the CFO and the CEO or the person authorized by the CEO to review and improve the hedging strategy adopted.</p> <p>VI. Loss ceiling: The Company only allows financial transactions for hedging purpose. The upper limits for the losses of all contracts or any single contract in a foreign exchange based financial transaction are listed below according to the risk and the position specified in the contract:</p>	<p>Revisions due to the Company's organizational adjustments and job changes.</p>

Original		Revised		Description
Authorization level	Upper limit of the losses in the total amount of all contacts or any single contract	Authorization level	Upper limit of the losses in the total amount of all contacts or any single contract	
Chairman	20%	Chairman	20%	
President	15%	CEO	15%	
CFO	10%	CFO	10%	
Highest finance department head	5%	Highest finance department head	5%	
The authorizing person must be informed when the amount of loss reaches the upper limit, and the authorized manager must give instructions to take relevant measures. Where the amount of loss occupies 25% or more of the total or a single contract price, announcement must be made in accordance with laws and regulations. In such case, relevant information must be delivered to members of the audit committee and a report must be made to the board of directors.		The authorizing person must be informed when the amount of loss reaches the upper limit, and the authorized manager must give instructions to take relevant measures. Where the amount of loss occupies 25% or more of the total or a single contract price, announcement must be made in accordance with laws and regulations. In such case, relevant information must be delivered to members of the audit committee and a report must be made to the board of directors.		
Article 4 Operating Procedure		Article 4 Operating Procedure		Revisions due to the Company's organizational adjustments and job changes.
I. Authorized limit:	The Authorized Limit Table is established with reference to the growth of the Company's turnover and the change of the risk position. It must be approved by the General Manager and CFO to become effective and subject to Article 9. The same applies if there is any amendment. Refer to Annex 1 for the Authorized Limit Table. It is the basis for controlling the operation and position of the Company.	I. Authorized limit:	The Authorized Limit Table is established with reference to the growth of the Company's turnover and the change of the risk position. It must be approved by the CEO and CFO to become effective and subject to Article 9. The same applies to amendments. Refer to Annex 1 for the Authorized Limit Table. It is the basis for controlling the operation and position of the Company.	
II. Execution department:	Transaction and management of financial products must be carried out by the personnel of high professional competence. Therefore, the financial department is currently appropriate responsible department for the transaction.	II. Execution department:	Transaction and management of financial products must be carried out by the personnel of high professional competence. Therefore, the financial department is currently appropriate responsible department for the transaction.	
Article 7 Risk Management Measures		Article 7 Risk Management Measures		Numbers adjusted as appropriate.
I. Credit risk management	Since the market is subject to changes in various factors, which can easily lead to operational risk in derivative financial products, market risk management is carried out in accordance with the following principles:	I. Credit risk management	Since the market is subject to changes in various factors, which can easily lead to operational risk in derivative financial products, market risk management is carried out in accordance with the following principles:	

Original	Revised	Description																				
<p>(1) Counterparts of the trade: Mainly domestic and overseas leading financial institutions.</p> <p>(2) Products of the trade: Mainly the products that domestic and overseas leading financial institutions provide.</p> <p>II to VII (omitted)</p>	<p>1. Counterparties: Mainly well-known financial institutions at home and abroad.</p> <p>2. Products: limited to products provided by famous domestic and foreign financial institutions.</p> <p>II to VII (omitted)</p>																					
<p>Article 10 Supplementary</p> <p>This procedure was established on August 30, 2014.</p> <p>The first amendment was made on September 2, 2008.</p> <p>The second amendment was made on May 26, 2010.</p> <p>The third amendment was made on May 30, 2018.</p>	<p>Article 10 Supplementary</p> <p>This procedure was established on August 30, 2014.</p> <p>The first amendment was made on September 2, 2008.</p> <p>The second amendment was made on May 26, 2010.</p> <p>The third amendment was made on May 30, 2018.</p> <p>The fourth amendment was on May 31, 2024.</p>	<p>Additional revision date.</p>																				
<p>Annex I</p> <p>The Authorized Limit Table is set as follows in accordance with Article 4, Paragraph 1, of the Regulations on Financial Products Related to Business Foreign Exchange Risk Management:</p> <p>1. Foreign exchange trading limit:</p> <table><tr><th></th><th>Daily trading amount</th></tr><tr><td>Chairman</td><td>USD 10 million and more</td></tr><tr><td>President</td><td>USD 10 million</td></tr><tr><td>CFO</td><td>USD 5 million</td></tr><tr><td>Highest finance department head</td><td>USD 3 million</td></tr></table> <p>If the daily transaction amount of a trader exceeds his or her authorized limit, it must be approved by a person who meets the authorized limit. If there are positions in other currencies, the amount must still be included in the above table after being converted into equivalent US dollars.</p> <p>2. Trading limits of other products:</p> <p>Trading of any other products must be submitted as a special case to the board of directors for approval.</p>		Daily trading amount	Chairman	USD 10 million and more	President	USD 10 million	CFO	USD 5 million	Highest finance department head	USD 3 million	<p>Annex I</p> <p>The Authorized Limit Table is set as follows in accordance with Article 4, Paragraph 1, of the Regulations on Financial Products Related to Business Foreign Exchange Risk Management:</p> <p>1. Foreign exchange trading limit:</p> <table><tr><th></th><th>Daily trading amount</th></tr><tr><td>Chairman</td><td>USD 10 million and more</td></tr><tr><td>CEO</td><td>USD 10 million</td></tr><tr><td>CFO</td><td>USD 5 million</td></tr><tr><td>Highest finance department head</td><td>USD 3 million</td></tr></table> <p>If the daily transaction amount of a trader exceeds his or her authorized limit, it must be approved by a person who meets the authorized limit. If there are positions in other currencies, the amount must still be included in the above table after being converted into equivalent US dollars.</p> <p>2. Trading limits of other products:</p> <p>Trading of any other products must be submitted as a special case to the board of directors for approval.</p>		Daily trading amount	Chairman	USD 10 million and more	CEO	USD 10 million	CFO	USD 5 million	Highest finance department head	USD 3 million	<p>Revisions due to the Company's organizational adjustments and job changes.</p>
	Daily trading amount																					
Chairman	USD 10 million and more																					
President	USD 10 million																					
CFO	USD 5 million																					
Highest finance department head	USD 3 million																					
	Daily trading amount																					
Chairman	USD 10 million and more																					
CEO	USD 10 million																					
CFO	USD 5 million																					
Highest finance department head	USD 3 million																					

Apacer Technology Inc.

Regulations on Engaging in Commercial Foreign Exchange Risk Management Related Financial Products

Article 1 Purpose

To effectively manage the foreign currency expenses and receipts, assets and liabilities of the Company, take actions to address the risks of fluctuating foreign exchange, and achieve the goal of no foreign exchange losses. The Regulations are established according to Article 18, Paragraph 2, Sub-paragraph 1 of the Procedure for Acquisition or Disposal of Assets.

Article 2 Scope of application

Applicable within the normal operation conditions of the following companies:
Apacer Technology Co., Ltd. (the Company) and its subsidiaries in which the Company holds more than 90% shares.

Article 3 Trading Principles and Policies

I. Trading types:

Operations of foreign exchange based financial products are mainly limited to spot, forward, option, and swap transactions. Requirements for any derivatives shall be subject to approval from the board of directors.

II. Business or hedging strategy:

The purpose is to prevent risks with selected financial products and dedicated bank operations.

III. Division of powers and responsibilities:

1. Operating Department: Provide estimated hedging positions for reference by the financial department.
2. Finance Department: Keep abreast of market information, judge trends and risks, be familiar with financial products, rules and laws, grasp risk positions, confirm transaction execution, provide reports in accordance with the law, and provide sufficient and timely information to management, business, procurement, accounting, Fund scheduling and other departments for reference.

IV. Transaction amount:

The foreign exchange net position generated from the business operation of the Company is the core. In addition to existing assets and liabilities, it contains the net position that the purchase and sales departments expect to be generated from the foreign currency transactions in the coming twelve (12) months. The hedging amount of the Company must generally not exceed the said foreign exchange net position. If the net position generated by foreign currency transactions is required to exceed six months, it must be approved by the CEO and CFO. If the project is required to exceed 12 months, it must be approved by the CEO and CFO and reported to the Chairman.

V. Essentials of performance evaluation:

The performance evaluation basis is the exchange rate cost of the Company's book net position and the profit and loss generated from the transactions of derivative financial products. The finance department evaluates and reviews the operating performance based on market prices every week, and reports to the CFO and the CEO or the person authorized by the CEO to review and improve the hedging strategy adopted.

VI. Loss ceiling:

The Company only allows financial transactions for hedging purpose. The upper limits for the losses of all contracts or any single contract in a foreign exchange based financial transaction are listed below according to the risk and the position specified in the contract:

Authorization level	Upper limit of the losses in the total amount of all contracts or any single contract
Chairman	20%
CEO	15%
CFO	10%
Highest finance department head	5%

The authorizing person must be informed when the amount of loss reaches the upper limit, and the authorized manager must give instructions to take relevant measures. Where the amount of loss occupies 25% or more of the total or a single contract price, announcement must be made in accordance with laws and regulations. In such case, relevant information must be delivered to members of the audit committee and a report must be made to the board of directors.

Article 4 Operating Procedure

I. Authorized limit:

The Authorized Limit Table is established with reference to the growth of the Company's turnover and the change of the risk position. It must be approved by the CEO and CFO to become effective and subject to Article 9. The same applies to amendments. Refer to Annex 1 for the Authorized Limit Table. It is the basis for controlling the operation and position of the Company.

II. Execution department:

Transaction and management of financial products must be carried out by the personnel of high professional competence. Therefore, the financial department is currently appropriate responsible department for the transaction.

Article 5 Announcement and Reporting Procedures

- I. Every subsidiary must report their trading conditions in the previous month to the finance department of the parent company for summarization and consolidated announcement within three (3) business days after the end of the month.
- II. The finance department of the parent company collects the data of the subsidiaries and make announcement after confirming their correctness.
- III. The finance department must make the announcement within the tenth (10th) day every month.

Article 6 Accounting

Accounting affairs of the Company related to any financial products are dealt with according to the applicable Statements of Financial Accounting Standards and the orders by letter of the competent authorities. Required reports are provided and realized and unrealized gains and losses are calculated on a regular basis for the management to make assessment.

Article 7 Risk Management Measures

I. Credit risk management

Since the market is subject to changes in various factors, which can easily lead to operational risk in derivative financial products, market risk management is carried out in accordance with the following principles:

1. counterparties: Mainly well-known financial institutions at home and abroad.
2. Products: limited to products provided by famous domestic and foreign financial institutions.

II. Market risk management

The open foreign exchange markets that banks provide are in priority and forward markets are currently not taken into account.

III. Liquidity risk management

The financial products of higher liquidity are preference to ensure they are liquid in the market. The entrusted financial institution must have adequate information and are capable of trading in any market at any time.

IV. Cash flow risk management

The Company shall use the own funds for transaction of derivatives to ensure stable turnover of the Company's operating funds.

V. Operational risk management

1. The Company's authorized limit, operating process, and internal audits must be followed to avoid operational risks.
2. Trading personnel and confirmation, delivery and other operations personnel engaging in derivative commodities must not serve as concurrent posts for each other.
3. Risk measurement, monitoring, and control personnel must be assigned to a different department than the personnel in the preceding subparagraph and must report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held must be evaluated at least once per week; however, positions for hedge trades required by business must be evaluated at least twice (2) per month. Evaluation reports must be submitted to senior management personnel authorized by the board of directors.

VI. Commodity risk management

The internal transaction personnel must have complete and proper professional knowledge of financial products, and ask banks to disclose risks completely and, thus, avoid the risk of misusing financial products.

VII. Legal risk management

No documents shall be officially signed with any financial institution before they are reviewed by the personnel specializing in foreign exchange or legal affairs or a legal consultant to avoid legal risks.

Article 8 Internal audit system

Internal auditors must regularly understand the adequacy of internal controls, regularly check the trading department's compliance with the Procedure for Acquisition or Disposal of Assets, and prepare an audit report. If any material violation is identified, a written notice must be sent to all members of the audit committee.

Article 9 Effectiveness

This Regulations must be approved by more than half of all members of the audit committee and submitted to the board of directors for resolution before being submitted to the shareholders' meeting for approval. The same applies to amendments.

Where any director expresses dissent and it is recorded in the minutes or a written statement, the Company shall deliver the dissent of the director to the audit committee. If no approval of more than half of all the audit committee members as required in the preceding paragraph is obtained, the Regulations may be implemented after approval by more than two-thirds of all the directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all the audit committee members" and "all the directors" in the preceding two paragraphs shall be counted based on the actual number of such members or directors currently holding their positions.

Article 10 Supplementary

This procedure was established on August 30, 2014.

The first amendment was made on September 2, 2008.

The second amendment was made on May 26, 2010.

The third amendment was made on May 30, 2018.

The fourth amendment was on May 31, 2024.

Apacer Technology Inc.

Authorized Limit Table for Trading of Financial FX Hedging Products

The Authorized Limit Table is set as follows in accordance with Article 4, Paragraph 1, of the Regulations on Financial Products Related to Business Foreign Exchange Risk Management:

1. Foreign exchange trading limit:

	Daily trading amount
Chairman	More than USD 10 million
CEO	USD 10 million
CFO	USD 5 million
Top manager of the finance department	USD 3 million

If the daily transaction amount of a trader exceeds his or her authorized limit, it must be approved by a person who meets the authorized limit. If there are positions in other currencies, the amount must still be included in the above table after being converted into equivalent US dollars.

2. Trading limits of other products:

Trading of any other products must be submitted as a special case to the board of directors for approval.

Annex XIII

Concurrent Positions held by Candidates of Directors and Independent Directors

Type	Name	Current position
Director	Austin Chen	<ul style="list-style-type: none"> Darwin Precisions Corp., Independent Director JoiUp Technology Inc., Representative of Legal Person as Director OtO Photonics Inc., Representative of Legal Person as Director
Director	Teddy Lu	<ul style="list-style-type: none"> Cyber Power Systems, Inc., Director RDC Semiconductor Co., Ltd., Director YODN Lighting Corp., Director
Director	Chang Chia-Kun	<ul style="list-style-type: none"> UD info Corp., Representative of Legal Person as Director
Director	George Huang	<ul style="list-style-type: none"> Les enphants Co. Ltd., Director Motech Industries Inc., Director BIONET Corp., Independent Director
Director	Chen Ming-Ta	<ul style="list-style-type: none"> UD info Corp., Chairman & President FM MEDIA TECHNOLOGY CO., LTD., Director Killon International Limited, Chairman
Director	Acer Corporation	<ul style="list-style-type: none"> AOPEN INC., Director Acer Cyber Security Inc., Director Acer Synergy Tech Corp., Director Weblink International Inc., Director TAIWAN HIPOINT CORPORATION, Director Acer Gaming Inc., Director Acer Gadget Inc., Director ACER BEINGWARE HOLDING INC., Director Acer SoftCapital Incorporated, Director Acer Asset Management Incorporated, Director Acerpure Inc., Director Smart Frequency Technology Inc., Director ACER DIGITAL SERVICE CO., Director FocalTech Systems Co., Ltd., Director Hao Ru Electric Co., Ltd., Director WIN TALENT INVESTMENT DEVELOPMENT LIMITED, Director PELL Bio-Med Technology Co. Ltd., Director GreenHarvest Co., Ltd., Director Chih He Chin Tan Co., Ltd., Director
	Representative: Jian Huixiang	<ul style="list-style-type: none"> Acer Inc., President AOPEN INC., Chairman AOPEN SMARTVISION INCORPORATED, Chairman Anxin Tuo Co., Ltd., Chairman

Type	Name	Current position
Independent Director	Max Wu	<ul style="list-style-type: none"> • Gigastone Corp., Independent Director • Harvatek Corporation, Independent Director • Novatek Microelectronics Corp., Director • YODN Lighting Corp., Director • Antec, Inc., Director • Cruise10 Co., Ltd, Chairman • Birch Venture Capital, Inc., Chairman
Independent Director	Philip Peng	<ul style="list-style-type: none"> • AU Optronics Corp., Independent Director • Wistron Corporation, Director • Wistron NeWeb Corp., Director • Wistron ITS Corp., Director • ZIGONG ART SHARING CO., LTD., Director • Allxon Inc., Supervisor • Cruise10 Co., Ltd, Director • SmartStar Technology Inc., Chairman
Independent Director	Cathy Han	<ul style="list-style-type: none"> • Wiwynn Corporation, Independent Director • Macroblock Inc., Independent Director • AU Optronics Corp., Independent Director

Appendix I

Apacer Technology Inc. Articles of Incorporation

Chapter I - General Provisions

Article 1: The Company is incorporated in accordance with the Company Act under the name of “宇瞻科技股份有限公司” and the English name of “**Apacer Technology Inc.**”.

Article 2: The business of this Company shall include the following items:

- | | | |
|----|---------|---|
| 1 | CC01120 | Manufacture and duplication of data storage media |
| 2 | CC01080 | Manufacture of electronic parts and components |
| 3 | F401010 | International trade |
| 4 | F118010 | Wholesale of computer software |
| 5 | F119010 | Wholesale of electronic materials |
| 6 | F218010 | Retail of computer software |
| 7 | F219010 | Retail of electronic materials |
| 8 | I301010 | Computer software services |
| 9 | I301020 | Data processing services |
| 10 | I301030 | Electronic information supply services |
| 11 | CC01101 | Manufacture of controlled telecom radio frequency devices |
| 12 | F401021 | Import of controlled telecom radio frequency devices |
| 13 | F113070 | Wholesale of telecom devices |
| 14 | F213060 | Retail of telecom devices |
| 15 | CC01030 | Manufacture of electric appliances and audiovisual electric products |
| 16 | CC01110 | Manufacture of computers and peripherals |
| 17 | E701040 | Installation of simple telecom equipment |
| 18 | F113050 | Wholesale of computing and business machinery equipment |
| 19 | F113110 | Wholesale of batteries |
| 20 | F213110 | Retail of batteries |
| 21 | F399040 | Retail business without shops |
| 22 | I501010 | Product design |
| 23 | JE01010 | Leasing business |
| 24 | CE01030 | Manufacture of photographic and optical equipment |
| 25 | E603040 | Fire safety equipment installation engineering |
| 26 | E603050 | Cybernation equipment engineering |
| 27 | E606010 | Inspection and maintenance of electricity equipment |
| 28 | E801010 | Interior decoration and upholstery |
| 29 | I101070 | Agriculture, forestry, fishing and animal husbandry consulting services |
| 30 | I103060 | Management consulting services |
| 31 | I199990 | Other consulting services |

- 32 I301050 Reality technology services
- 33 JI01010 Interactive scenario experience services
- 34 ZZ99999 All other business items that are not prohibited or restricted by laws and regulations, except those that are subject to special approval

Article 3: Where the Company is a shareholder of limited liability in another company, the restriction that the total investment shall not exceed 40% of the paid-in capital specified in Article 13 of the Company Act shall not apply to its investment in such company.

Article 4: The headquarters of the Company is located in New Taipei City, Taiwan, R.O.C. If the Company considers it necessary, it may, with a resolution adopted at a meeting of the Board of Directors, set up branches or offices in Taiwan.

Article 5: Announcement of the Company is subject to the regulations of the securities regulation body.

Chapter II - Shares

Article 6: The total amount of the Company's capital stock is TWD 2 billion divided into 200 million billion shares at a par value of TWD 10 per share, and the Board of Directors is authorized to issue these shares at different phases. TWD 150 million of the aforesaid total capital stock shall be divided into 15 million shares at a par value of TWD 10 per share and reserved for exercising stock options against stock option certificates. The board of directors is authorized to issue these shares at different phases upon its resolution.

Article 6-1: The Company may as a listed company at the emerging stock market issue employee stock option certificates at a subscription price less than the market price. Where the Company may, after becoming a listed company at the stock exchange or OTC market, issue employee stock option certificates at a price lower than the closing price of the Company's ordinary shares on the issue date, the issue of the certificates must be subject to the approval of more than two-thirds of the voting rights represented at a shareholders' meeting at which a majority of the total issued capital stocks are present. The Company may, after becoming a listed company at the stock exchange market, transfer shares to employees at a price less than the average of the actual repurchase price of shares, but the transfer must be subject to the approval of more than two-thirds of the voting rights represented at the latest shareholders' meeting at which a majority of the total issued capital stocks are present.

Article 6-2: When buying back shares for transfer to employees, the Company may include full-time employees of the Company and its subsidiaries who meet certain conditions. (The "subsidiaries" refer to domestic and overseas subsidiaries that directly or indirectly hold more than 50% of the voting shares of the same invested company).

Article 6-3: When issuing new shares or employee restricted stocks, the Company may include buying back shares for transfer to employees, the Company may include full-time employees of the Company and its subsidiaries who meet certain conditions. (The "subsidiaries" refer to domestic and overseas subsidiaries that directly or indirectly hold more than 50% of the voting shares of the same invested company).

Article 7: The share certificates of the Company shall be issued in registered form, signed by, or affixed with the seals of, at least three directors. The shares may be released only after they are authenticated by the competent authority or its designated issue and registration organs.

The Company may issue shares without printing physical stocks, but shall register these shares with a securities depository body. The same is applicable to issue of other securities.

Article 7-1: Any plan of the Company to withdraw the public offer of its shares shall be submitted to the shareholders' meeting for approval. This provision shall not be modified or amended during the period in which the Company is listed at the emerging stock, stock exchange or OTC market.

Article 8: All the matters concerning shares shall be handled in accordance with the regulations of the competent authority except as otherwise provided by laws.

Chapter III - Shareholders' Meeting

Article 9: Shareholders' meetings are held in the form of either regular or special meetings. The regular meeting is held once every year, and the Board of Directors shall convene the regular meeting within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the law if necessary.

Article 10: The shareholder who is unable to attend a shareholders' meeting for whatever reasons may appoint a proxy by presenting the letter of attorney provided by the Company and explicitly filling out it with the scope of proxy. Where one person has been appointed to act as a proxy for two or more shareholders, unless such person is a trust business or a stock service agent approved by the competent securities authority, the votes exercised by such person and exceeding three percent (3%) of all the issued capital stock of the Company shall not be counted. The letter of attorney referred to in the previous paragraph proxies shall be delivered to the Company five (5) days before the shareholders' meeting. In case of repetition, only the letter of attorney received earlier shall be effective.

Article 11: Except as otherwise provided by the Company Act, a resolution at any shareholders' meeting may be adopted by the holders of a simple majority of the voting rights represented at a shareholders' meeting at which a majority of the total issued capital stocks are present. Where electronic means are one of the avenues for the exercise of voting rights by shareholders at a shareholders' meeting, procedures related thereto shall be carried out according to relevant regulations of the competent authority.

Chapter IV - Directors and Committees

Article 12: The Company shall have seven (7) ~ nine (9) directors elected at the shareholders' meeting from the roster of nominees. A candidate nomination system is applied for the election. The directors shall have a term of office for three (3) years and are eligible for re-election. The total capital stock held by all the directors shall not be less than the percentage specified by the competent authority according to relevant laws. The Company may buy liability insurance for the directors who shall take the responsibility for the damage in accordance with laws within the scope of their duties.

Article 12-1: The Company shall have three (3) or more independent directors to be included in the number of directors specified in the preceding paragraph. Independent directors are elected at the shareholders' meeting from the roster of nominees, and a candidate nomination system is applied for the election.

The professional competence, shareholding, restriction on part-time jobs, methods for nomination, election and appointment of independent directors, and other matters to the followed are subject to the regulations of the competent securities authority.

Article 12-2: The Company shall establish Audit Committee comprised of all the independent directors. The Audit Committee or the members of the Audit Committee shall be responsible for performing the duties of the supervisors specified in the Company Act, Securities and Exchange Act and other relevant laws and regulations.

Article 13: The Board of Directors must consist of directors of the Company. The chairman of the Board of Directors must be elected by a majority of directors at a meeting at which more than two-thirds of the directors are present. The chairman of the Board of Directors must externally represent the Company. The board of directors may set up various functional committees.

Directors must be informed respectively with a 7-day prior notice about any meeting of the Board of Directors. The Company may hold the Board of Directors meeting at any time in case of emergency events. The board of directors meeting may be convened by letter, e-mail or facsimile.

Article 14: The board of directors shall have the following authority:

- I. To review and supervise annual operation plans;
- II. To decide budgets and review final accounts;
- III. To propose allocation of profits or make-up of losses;
- IV. To propose capital increase or decrease plans;
- V. To review and consider significant capital expenditure plans;
- VI. To establish or terminate branches (including offices);
- VII. To propose and discuss Articles of Incorporation or its amendments;
- VIII. To decide important contracts or other important matters;
- IX. To decide whether to invest in other businesses or dispose of shares held in the invested businesses;
- X. To review and consider major dealings between the Company and its related partners (including affiliated companies);
- XI. To appoint or remove the general manager and/or vice general manager;
- XII. To decide disposal or purchase of important assets, systems, and regulations; and
- XIII. Other powers granted at any shareholders' meeting or in accordance with laws and regulations.

Article 15: Where the chairman of the board of directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act. Where a director is unable to attend the meeting of the board of directors personally for whatever reasons, he/she may appoint another director as his proxy to attend the meeting by issuing a letter of attorney. Each director may act as a proxy for only one director.

Article 16: Unless otherwise provided for in the Company Act, resolutions at the meeting of the board of directors shall be adopted by one-half of the directors at a meeting at which one-half of the directors are present.

Article 16-1: The board of directors is authorized to determine the compensation recommended by the Remuneration Committee for the director with reference to the extent of his/her involvement in and value of his/her contribution to the operation of the Company and the standards of the industry in Taiwan and overseas no matter whether the Company has profits or losses.

If the Company makes a profit during the year, it must allocate no more than 1.4% of the amount as directors' remuneration. Where the Company has any accumulated loss, the remuneration must be appropriated from the balance after such accumulated loss has been covered. The criteria for allocation of the remuneration must be recommended by the Remuneration Committee to the Board of Directors for approval.

Chapter V - Managerial Officers

Article 17: The Company may have a number of managerial officers. Their appointment, dismissal and remuneration shall be subject to Article 29 of the Company Act. The managerial officers have the right to manage the affairs of and sign for the Company within their respective authority.

Chapter VI - Accounting

Article 18: The board of directors shall prepare the (1) business report; (2) financial report; and (3) profit allocation or loss make-up proposal at the end of each fiscal year and submit them to the shareholders' meeting for approval.

Article 19: As the prosperity and development trend of the industry to which the Company belongs change, the Company adopts a balanced dividend policy depending on the yearly surplus and overall external environment as well as relevant laws and regulations, long-term development plans of the Company, and healthy financial structures. Where any cash dividend shall be distributed, it shall occupy at least ten percent (10%) of all the dividends of the current year.

Article 20: Where there is profit in any fiscal year, four percent (4%) or more of the profit shall be appropriated as remuneration for employees. Where the Company has any accumulated loss, the remuneration must be appropriated from the balance after such accumulated loss has been covered.

The employees' remuneration referred to in the previous paragraph may be distributed in the form of cash or stock. The employees eligible for the distribution may include the employees of the affiliated companies who meet the requirements specified by the Board of Directors.

Article 21: The earnings of the Company, if any, in the total final account at the end of any fiscal year shall be used to pay all relevant taxes and make up the losses of the previous years. The Company shall then set aside 10% of the said earnings as a legal reserve, unless such legal reserve amounts to the total authorized capital of the Company. Thereafter, the Company shall set aside or reverse a special reserve in accordance with applicable laws and regulations or any instructions of the competent authority. The remainder of the reserve together with the earnings of the previous years that have not been distributed may be

allocated to shareholders as dividends. Where dividends and bonuses are distributed by issuing new shares, the distribution shall be subjected to the resolution of the shareholders' meeting; where dividends and bonuses are distributed in cash, the distribution shall be subject to a resolution made by a majority of directors at a meeting at which more than two-thirds of the directors are present, and shall be reported to the shareholders' meeting. The Company shall not distribute dividends or bonuses when there is no profit, unless the distribution is made with the reserves pursuant to relevant laws and regulations.

Article 22: The Company may provide endorsements or guarantees externally in relation to its business or investment.

Chapter VII - Supplementary

Article 23: Any matters that are not specified in these Articles of Incorporation shall be subject to the Company Act and other laws and regulations.

Article 24: The Articles of Incorporation were established on March 31, 1997.

The first amendment was made on July 3, 1997.

The second amendment was made on November 11, 1997.

The third amendment was made on October 14, 1999.

The fourth amendment was made on June 22, 2000.

The fifth amendment was made on April 30, 2001.

The sixth amendment was made on June 20, 2002.

The seventh amendment was made on June 23, 2003.

The eighth amendment was made on May 24, 2004.

The ninth amendment was made on December 6, 2005.

The tenth amendment was made on June 20, 2006.

The eleventh amendment was made on May 31, 2007.

The twelfth amendment was made on September 14, 2007.

The thirteenth amendment was made on June 16, 2009.

The fourteenth amendment was made on May 26, 2010.

The fifteenth amendment was made on June 13, 2012.

The sixteenth amendment was made on June 25, 2013.

The seventeenth amendment was made on June 3, 2016.

The eighteenth amendment was made on May 26, 2017.

All the clauses amended with respect to substitution of an audit committee for the supervisors shall apply only after a full re-election is conducted in June, 2018 upon expiration of the term in office of all the current directors or supervisors.

The nineteenth amendment was made on May 30, 2018.

The twentieth amendment was made on May 28, 2020.

The twenty-first amendment was made on July 14, 2021.

Appendix II

Apacer Technology Inc. Director Election Regulations

- I. Except otherwise prescribed by the Company Act, other relevant laws and regulations, or the Company's Articles of Incorporation, election of directors shall be subject to the Regulations.
- II. A candidate nomination system is applied to the election of directors. They shall be elected at the shareholders' meeting from the roster of nominees announced by the Company.
- III. The number of the directors to be appointed shall be determined in accordance with the number allowed in the Articles of Incorporation. Election of the independent and non-independent directors shall be conducted together, but the votes shall be counted and the directors shall win the election separately.
- IV. The Company shall make ready, distinguish the ballots and indicate the number of voting rights.
- V. Directors shall be elected through cumulative voting. When electing the directors, each share shall be entitled to the number of voting rights equal to number of the directors to be elected. The holder of the shares may cast all the votes for one candidate or distribute the votes among different candidates. The candidates who receive more votes representing the voting rights will in sequence win the election for the positions of independent or non-independent directors. Where two (2) or more candidates receive the same number of votes beyond the allowed number of directors, the winner shall be determined by drawing lots. One lot may be drawn by the chairperson for each of the absentees.
- VI. The winning of the election will become invalid if the requirements of Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act are not met
- VII. The voter shall indicate the name of the candidate and the shareholder account number on the ballot. Where the candidate is not a shareholder, the ID card number (or passport number if a foreigner is involved) of the candidate shall be indicated on the ballot and drop it in the ballot box. Where the candidate is a legal entity, the full registered name of the legal entity and the name of its legal representative may be entered in the Candidate field.
- VIII. When the voting begins, the chairperson shall appoint several vote monitoring and counting personnel to take charge of relevant tasks. Vote monitoring personnel may be appointed from among the shareholders in attendance.
- IX. A ballot shall be null and void if such ballot:
 - (I) is not dropped in the ballot box;
 - (II) is not a ballot prepared by the Company;
 - (III) is not completed by a voter and is blank;
 - (IV) contains the account name or number of a candidate that is not in conformity to the shareholders' register;
 - (V) contains any words or notations in addition to the account name and number of the candidate as well as the number of cast votes in terms of the voting right;
 - (VI) contains any alteration to the candidate's account name and number or the number of cast votes in terms of the voting right;
 - (VII) contains words or marks which unrecognizable;

(VIII) contains the same account name of a candidate as that of a shareholder and the account number of such shareholder is not provided for distinguishing purpose.

- X. The ballot box shall be prepared by the board of director. It shall be opened and examined in public by ballot monitoring personnel.
- XI. The ballot shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on the scene and recorded.
- XII. The vote monitoring personnel shall monitor the counting of the ballots and the chairperson shall announce the results on the spot immediately.
- XIII. These Regulations and any amendments hereto shall take effect upon approval at a Shareholders' Meeting.

These Regulations were established on June 22, 2000.

The first amendment was made on April 15, 2002.

The second amendment was made on May 31, 2007.

The third amendment was made on May 26, 2017.

(All the clauses amended with respect to the supervisors shall apply only when a full re-election is conducted in June 2018 upon expiration of the term in office of all the current directors or supervisors.)

Appendix III

Shares Held by Directors (Information up until April 2, 2024, the book closure date)

Title	Representative	No. of shares held
Austin Chen		1,525,633
Teddy Lu		5,699,906
Chang Chia-Kun		455,642
Haydn Hsieh		0
George Huang		1,207,041
Phison Electronics Corp.		12,554,580
Max Wu (independent director)		68,325
Philip Peng (independent director)		527
Cathy Han, (Independent Director)		0
Total		21,511,654

- I. Up until April 2, 2024, the book closure date, the paid-up capital of the Company is TWD 1,287,292,660, and the total number of shares issued is 128,729,266.
- II. In accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the legal number of shares held by the directors and supervisors of the current term of the Company shall be as follows:
For all directors, the legal number of shares is 8,000,000.
- III. The numbers of shares held by individual and all directors recorded in the shareholder register are in conformity with the legal percentages.



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