

Etron Technology, Inc.

2023 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

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Chapter 1. Meeting Procedures and Agenda

Time: 9:00 am, June 27, 2023 (Tuesday)

Venue: (The Company's Meeting Room) No. 6, Technology 5th Road, Hsinchu Science Park

Type of Meeting: Physical Meeting

Attendants: All shareholders and equity representatives

Chairperson: Chairman, Nicky Lu

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Reports
 - (I) 2022 Business Report
 - (II) Audit Committee's Review Report
 - (III) Distribution of 2022 remuneration to employees and Directors
 - (IV) Other Reports
- IV. Ratifications
 - (I) 2022 Business Report and Financial Statements
 - (II) 2022 Earnings Distribution
- V. Discussions
 - (I) Releasing Directors from Non-competition Restrictions
 - (II) 2022 Capital Increase by Retained Earning
- VI. Other Motions
- VII. Adjournment

■ Reports

I. 2022 Business Report

For the Company's 2022 Business Report, please refer to Attachment 1 (pages 5 to7).

II. Audit Committee's Review Report

For the 2022 Audit Committee's Review Report of the Company, please refer to Attachment 2 (pages 8).

III. Distribution of 2022 remuneration to employees and Directors

- (I) In accordance with Article 30-1 of the Company's Articles of Incorporation, the Company shall distribute no less than 12% of the current year's earnings as the remuneration to employees, and no more than 2% of the current year's earnings as the remuneration to Directors. If there are accumulated losses, the Company shall recover them. The current year's earnings referred to in the preceding paragraph shall mean the pre-tax earnings of the current year before deduction of the remuneration to employees and Directors.
- (II) Based on the Company's 2022 earnings and Articles of Incorporation, it is proposed to distribute 12% of the earnings as remuneration to employees in cash (NT\$ 24,419,521), and 2% of the earnings as remuneration to Directors in cash (NT\$ 4,069,920).

IV. Other Reports

There's no other matter to be reported this time.

■ Ratifications

Proposal 1

Proposed by the Board of Directors

Subject: 2022 Business Report and Financial Statements.

Description: For the Company's 2022 Business Report, Individual Financial Statements, and Consolidated Financial Statements, please refer to Attachment 1 (pages 5 to 7), Attachment 3, and Attachment 4 (pages 9 to 34), among which the Individual Financial Statements and Consolidated Financial Statements have been audited by CPA Tsai-Yen, Chiang and CPA Patrick, Hsu from PwC Taiwan, and Audit Report has been issued.

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject: 2022 Earnings Distribution

Description: The Company's net income in 2022 was NT\$141,894,805. For the Earnings Distribution Table, please refer to Attachment 5 (page 35).

Resolution:

■ Discussions

Proposal 1

Proposed by the Board of Directors

Subject: Releasing Directors from Non-competition Restrictions.

Description: It is specified in paragraph 1 of Article 209 of the Company Act that “the important contents of Director's acts for himself/herself or for others within the scope of the company's business shall be explained to the shareholders’ meeting, and the permit from shareholders’ meeting shall be obtained for such acts”. For the Company Director's acts for himself or for others within the scope of the Company's business, please refer to Attachment 6 (page 36). It is proposed and applied to annual Shareholders’ Meeting, in accordance with law, for approval on releasing Directors from non-competition restrictions.

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject: 2022 Capital Increase by Retained Earning.

Description:

- I. In order to suffice the Company’s operating funds, it is proposed to appropriate, in accordance with Article 240 of the Company Act, NT\$ 39,789,660 as shareholders’ bonus from the 2022 distributable earnings to issue 3,978,966 new shares, at par value of NT\$ 10 per share.
- II. Based on the shareholders and their number of shares registered on the shareholders’ roster on the ex-dividend date, 14 shares are distributed to every 1,000 shares (calculated based on the 284,211,815 outstanding shares on December 31, 2022). Shareholders may combine the fractional shares they received with other shareholders within 5 days counting exclusively from the ex-dividend date, and register for fractional share combination at the Company’s stock affairs agency. Fractional shares that are not combined or not enough to combine into 1 share are paid out in cash at par value (rounded down to the nearest NT\$), and the Chairman is authorized by the Shareholders' Meeting to designate specific persons to purchase those shares at par value.
- III. The new shares issued are entitled to the same rights and obligations as the original shares. The issuance date of the new shares and other matters relating to the capital increase through the issuance of new shares shall be resolved by the Shareholders' Meeting, and reported to the competent authority for approval, and then the Board of Directors shall be authorized to determine on relevant matters.
- IV. In the event of buy-back of the Company’s share, transfer, conversion, or retirement of treasury shares, the exercise of employee share options, capital increase through issuance of new shares, or conversion of corporate bonds into common shares to the extent that the total quantity of outstanding shares on the ex-dividend date is affected and the payout ratio is changed, such matter shall be proposed at the Shareholders’ Meeting to authorize the Board to adjust the payout ratio based on the actual outstanding shares on the ex-dividend date.

V. If any modification or revision is required by the competent authority, such matter shall be proposed at the Shareholders' Meeting to authorize the Board to handle such matter.

Resolution:

■ **Other Motions**

■ **Adjournment**

Chapter 2. Attachments

Attachment I

2022 Business Report of Etron Technology, Inc.

2022 is a year of volatility for the semiconductor industry. Under the intensifying US-China trade war and de-globalization trend, Taiwan has become one of the keys in the semiconductor supply chain. However, in the face of an array of adverse factors including the Russo-Ukrainian War, COVID-19 prevention measures, the decline in the global macro-economy, high inflation rate, and interest hikes, the semiconductor industry is challenged by inventory pressure and adjustments in the supply and demand in early 2022. Last year, the Taiwanese semiconductor industry hit NT\$ 4.84 trillion in gross production value, with an 18.5% increase, according to the Taiwan Semiconductor Industry Association (TSIA) and Industrial Economics and Knowledge Center of the Industrial Technology Research Institute; while the IC design sector's production value grew by 1.4%, to NT\$1.23 trillion.

Operating Achievements

Our consolidated operating revenues stood at NT\$ 4.685 billion in 2022, with a consolidated net income of NT\$ 74 million after tax, and EPS of NT\$ 0.50.

Operations policy and business strategy

The Group builds its strategy “Eye-Brain-Nerve Convergence” to develop its core products that emulate the eyes, brains, and nerves of the human body, while undertaking product development and integration within the Group. In addition, it upholds the spirit of innovation and corporate sustainability in the forward research of semiconductor components and process to accumulate competitive intellectual property of new inventions. On the business front, we continue to reshape ourselves, utilizing our financial sources sparingly, and enhancing our operational efficiency. We are quality-centered and focus on the delivery of technical services to maintain long-term and stable partnerships with globally leading companies. We harness our technical and business capabilities by optimizing our product portfolio and actively developing new products and new markets, and we work with different systems integrators to create innovative products that can meet the needs of the future, while transforming ourselves from a component vendor, to software, application and system developer and finally to a secondary system provider to bring forth value-added products. We also strengthen our relationship with our strategic partners from different sectors and work with them on matters related to production capacity, technology, markets, and capital, thereby fueling our growth dynamics and securing our foothold in long-term development.

Research & Development

Based on the strategy “Eye-Brain-Nerve Convergence”, the Group established 3 major product lines:

I. Specialty Buffer Memory

Etron Technology's specialty DRAM products boast high quality, high performance, and high cost-effectiveness. These products feature ultra-high bandwidth and super-low power consumption. We also offer customization for our customers. Apart from the commercial-use products in the consumer market, we also provide customized Known-Good-Die (KGD) solutions to meet industrial-use products that are used in harsh environments, and automotive-use products that feature high-quality and high reliability. KOOLDRAM[®], our latest product largely extends the data-retention time under the JEDEC standards by utilizing innovative circuit design. Its heat dissipation design allows

it to exert better overall effectiveness in high-temperature environments such as automotive equipment and KGDs.

To fulfill the high demand for miniature end devices in the AI-generation, we have also launched the world's first RPC DRAM[®] offered in WLCSP (Wafer Level Chip Scale Packag). The RPC DRAM[®] has only half of the number of pins of Standard DRAM, has the smallest form factor, and supports high bandwidth for x16 DDR3 SDRAM. In addition, with the advantages of cost performance and low power consumption, this DRAM is compatible with wearable or mobile devices of AI endpoint products, and can be memory solution for AI chip design.

In addition to emerging the needs of end point, Etron Technology focuses on innovation and in-depth R&D on its Direct-Wide-Bus (DWB) and Reduced-Access-and-Latency (RAL) technologies. Deviating from the High Bandwidth Memory (HBM) technology, Etron Technology is aiming to develop GDDR5 products that are compatible with bandwidths of 10GB/s to 400GB/s, so as to meet the ever-growing demands for computing power and throughput of AI SoCs, by incorporating controllers and DRAM solution. This product offered us a brand-new business model.

Our product line consists of SDR, DDR, DDR2, DDR3, DDR3L, DDR4, LP DDR2, and LP DDR4, with input and output from 4 to 64bits and densities ranging from 16 Mb to 8 Gb. In particular, high density products such as DDR2, DDR3, DDR3L, DDR4, and LP DDR4 are manufactured by 2x/1x nm advanced process mass production have been widely used in an array of emerging and booming fields, including network communications, set-top boxes, digital TVs, surveillance devices, 5G broadband communications, endpoint AI, smart homes, robots, and cloud storage.

II. High-speed USB chips

Etron Group has the world-leading IC solutions for both USB Type-C and Thunderbolt that meets the USB4 specifications, and be the first to support the new USB4 Version 2.0 specification published by USB Implementers Forum (USB-IF) at the end of 2022, doubling the data transfer rate from 40Gbps to 80Gbps while maintaining backward compatibility, thus ensuring the optimal interoperability between devices. On the other hand, our fiber-optic cable solution - the Optically Isolated Active Cable (OIAC) - transmits data of up to 10 Gbps; it can be used in a large video conferencing room, thus satisfying the growing need for virtual conferences among companies hit by the COVID-19 pandemic. Furthermore, the recently launched new-generation 4K@60Hz capture IC integrates multiple video and audio processing functions and innovatively utilizes USB 3.2 2-lane transmission for uncompressed image data to capture immaculate 4K@60Hz high resolution contents, further entering the professional audio and video market.

III. 3D video chips and AI applications

We have developed a wide-angle video technology and a depth of field point cloud algorithm, and both can facilitate the development of AI edge computing and deep learning. We have mass-produced and launched our 2D/3D machine-vision sensing modules and single/dual/multiple-lens 3D vision (ThingCapture[™]) cameras. Both products employ our exclusive software development kit (SDK) to build machine learning models for image recognition, image navigation, and 3D holograms. The recently launched XINK new generation robot visual platform with built-in AI chips can process large amounts of data within a short timeframe and is more and exert better performance

in the AI and machine learning fields. Through partnership with internationally renowned manufacturers, this product is extensively applied in medical equipment, smart IoT, automation guided vehicles, and industrial installations.

We are committed to providing high-end and high-value-added products. We exert our expertise in soft- and hardware design, and focus on software, hardware, and firmware R&D to embody our concept of “Eye-Brain-Nerve Convergence” that emulates the human body. In 2022, Etron Technology was honored to be the winner of R&D Achievement Award and Innovative Product Award at the Hsinchu Science Park, TISA Research Award from Taiwan Information Storage Association, and CES 2023 Innovation Awards. As of the end of 2022, Etron Technology had obtained 768 patents in Taiwan and abroad, as well as 224 pending patent applications, which demonstrates our solid R&D capability.

Future Operating Outlook

As the semiconductor industry is entering the trillion-dollar era, the Company has been following the industrial trend of heterogeneous integration. Also, it has adopted the concept of sustainability of green design and non-polluting industry and continues to develop high-speed, high-bandwidth, suitable density/capacity, low-cost specialty DRAMs, and logic chips to provide for the emerging application markets (such as broadband communications, wireless networks, virtual reality, consumer electronics, surveillance systems, smart homes, intelligent cars and drone, AI, and machine learning), so that we can respond to the latest demand of the fast-growing industry. At the same time, we have also set foot in the business of industrial- and automotive-grade products, and are thus developing a new operating model and expanding our product lines. We will expedite our R&D, continue to optimize our product portfolios, build new customer bases in new markets, and increase market shares in targeted application markets, to ultimately ensure steady growth.

Chairman & CEO: Nicky Lu

President: Elvis Deng

Chief Accounting Officer:
Yu-Chia, Cheng

Attachment II

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2022 Financial Statements, 2022 Earnings Distribution Table, and 2022 Business Report, among which the Financial Statements have been audited, and Audit Report has been issued, by PwC Taiwan. The said Financial Statements, Earnings Distribution Table, and Business Report have been reviewed by us, the Audit Committee. We have not found any inconsistencies. Therefore, we, the Audit Committee, issue this Report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, for your review.

Sincerely,
2023 Annual Shareholders' Meeting of Etron Technology, Inc.

Convener of Audit Committee's Meeting: Ai-Chen, Wang

May 8, 2023

Attachment III

CPA's Audit Report and 2022 Individual Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Etron Technology, Inc.

Opinion

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

In our opinion, based on our audits and the report of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements of the current period are stated as follows:

Key audit matters - Valuation of accounts receivable

Description

Please refer to Note 4(9) for accounting policies on valuation of accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of accounts receivable, and Note 6(5) for details of accounts receivable. As of December 31, 2022, the total amount of accounts receivable and allowance for uncollectible accounts were NT\$907,144 thousand and NT\$82,017 thousand, respectively.

The Company assesses the allowance for uncollectible accounts receivable by each individual counterparty when there are significant past due accounts receivable arising from each individual counterparty. The valuation of allowance for uncollectible accounts receivable for the remaining counterparties is based on the default risk and expected loss rate. The amount of accounts receivable is material to the parent company only financial statements and the valuation involves subjective judgment made by management. Thus, we consider the valuation of accounts receivable a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter, these procedures included obtaining an understanding and evaluating the design and operating effectiveness of internal controls related to revenue and receivable business process, obtaining the aging report of accounts receivable and validating the accuracy, obtaining and validating the assessment made by management in identifying significant expected credit loss for each individual counterparty and respective supporting documents, obtaining and validating the expected credit loss ratios calculated by management based on the Company's historical data of similar credit risk and forward-looking information, and testing subsequent collection in order to assess the reasonableness of allowance for uncollectable accounts.

Key audit matters - Valuation of inventories

Description

Refer to Note 4(13) for accounting policies on valuation of inventories, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of inventories, and Note 6(6) for details of inventories. As of December 31, 2022, the total amount of inventories and allowance for inventory valuation loss were NT\$4,006,796 thousand and NT\$514,872 thousand, respectively.

The Company is primarily engaged in the design, manufacturing and sale of niche memory chips. Due to rapidly technology changing and market demand, there is a higher risk of decline in market values of inventories or obsolescence. The Company's inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value for inventories aged over a certain period of time and individually identified as obsolete involves management's subjective judgment and the amount of inventories is material to the Company's financial statements. Thus, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above matter in order to ascertain the adequacy of allowance for inventory valuation losses include assessing the reasonableness of the provision policies on allowance for inventory valuation losses, checking whether the inventory quantities and amounts at the end of the year on the inventory aging report were consistent with those on the inventory subsidiary ledger, selecting samples to verify the accuracy of the inventory aging report, as well as assessing and verifying the reasonableness of the estimation of the net realisable value by sampling and testing the individual inventory items.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method recognized by the Company's investee accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method amounted to NT\$336,110 thousand and NT\$313,775 thousand, constituting 4.17% and 4.46% of the parent company only total assets as at December 31, 2022 and 2021, and the comprehensive income recognized from investments accounted

for under the equity method amounted to NT(\$41,365) thousand and NT\$34,364 thousand, constituting (31.66%) and 2.95% of the parent company only total comprehensive income for the years then ended, respectively.

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

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

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

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

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

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

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

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

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

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

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

Chiang, Tsai-Yen

Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

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

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2022		December 31, 2021	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 558,543	7	\$ 928,016	13
Financial assets at fair value through profit or loss - current	56,919	1	4,396	-
Financial assets at amortised cost, current	2,000	-	2,000	-
Notes receivable, net	41,759	1	10,000	-
Notes receivable - related parties	31,756	-	-	-
Accounts receivable, net	788,167	10	1,241,920	18
Accounts receivable - related parties	36,960	-	139,119	2
Other receivables	9,516	-	40,084	1
Other receivables - related parties	38,323	1	31,611	-
Inventories	3,491,924	43	1,725,535	24
Prepayments	92,485	1	48,029	1
Other current assets	1,661	-	610	-
Total current assets	<u>5,150,013</u>	<u>64</u>	<u>4,171,320</u>	<u>59</u>
Non-current assets				
Financial assets at fair value through other comprehensive income-non-current	-	-	39,308	1
Financial assets at amortised cost-non-current	5,941	-	5,941	-
Investments accounted for using equity method	1,372,581	17	1,383,210	20
Property, plant and equipment	652,242	8	611,154	9
Right-of-use assets	210,702	3	140,784	2
Intangible assets	16,742	-	16,927	-
Deferred income tax assets	216,766	3	241,501	3
Other non-current assets	426,936	5	423,213	6
Total non-current assets	<u>2,901,910</u>	<u>36</u>	<u>2,862,038</u>	<u>41</u>
Total assets	<u>\$ 8,051,923</u>	<u>100</u>	<u>\$ 7,033,358</u>	<u>100</u>

(Continued)

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	December 31, 2022		December 31, 2021	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 1,083,088	14	\$ 140,720	2
Financial liabilities at fair value through profit or loss-current	8,662	-	-	-
Notes payable	752	-	1	-
Accounts payable	676,746	8	928,058	13
Other payables	240,461	3	323,895	5
Current tax liabilities	5,240	-	324	-
Current lease liabilities	21,828	-	21,791	-
Long-term liabilities, current portion	197,439	3	766,766	11
Other current liabilities, other	10,098	-	32,023	-
Total current liabilities	2,244,314	28	2,213,578	31
Non-current liabilities				
Bonds payable	739,984	9	-	-
Long-term borrowings	572,241	7	502,142	7
Deferred income tax liabilities	3,444	-	483	-
Non-current lease liabilities	193,311	2	122,619	2
Other non-current liabilities	116,325	2	54,893	1
Total non-current liabilities	1,625,305	20	680,137	10
Total Liabilities	3,869,619	48	2,893,715	41
Equity				
Share capital				
Common stock	2,840,618	35	2,698,693	38
Capital collected in advance	3,585	-	1,530	-
Capital surplus				
Capital surplus	687,164	9	568,222	8
Retained earnings				
Legal reserve	78,407	1	-	-
Unappropriated retained earnings	539,784	7	784,069	11
Other equity interest	32,746	-	87,129	2
Total equity	4,182,304	52	4,139,643	59
Significant contingent liabilities and unrecognised contract commitments				
Significant events after the balance sheet date				
Total liabilities and equity	\$ 8,051,923	100	\$ 7,033,358	100

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Items	Year ended December 31			
	2022		2021	
	AMOUNT	%	AMOUNT	%
Operating revenue	\$ 4,502,838	100	\$ 5,847,407	100
Operating costs	(3,433,770)	(76)	(3,914,271)	(67)
Gross profit, net	1,069,068	24	1,933,136	33
Operating expenses				
Selling expenses	(172,580)	(4)	(169,725)	(3)
General and administrative expenses	(241,335)	(5)	(253,758)	(4)
Research and development expenses	(392,528)	(9)	(395,905)	(7)
Expected credit impairment gain	-	-	40,028	1
Total operating expenses	(806,443)	(18)	(779,360)	(13)
Other operating income and expenses - net	60,796	1	64,250	1
Operating profit	323,421	7	1,218,026	21
Non-operating income and expenses				
Interest income	1,273	-	3,640	-
Other income	50,612	1	1,870	-
Other gains and losses	(41,854)	(1)	21,208	-
Finance costs	(34,248)	-	(39,847)	(1)
Expected credit impairment loss	-	-	(63,000)	(1)
Share of loss of associates and joint ventures accounted for using equity method	(124,197)	(3)	(22,116)	-
Total non-operating income and expenses	(148,414)	(3)	(98,245)	(2)
Profit before income tax	175,007	4	1,119,781	19
Income tax expense	(33,112)	(1)	(68,710)	(1)
Net income for the year	<u>\$ 141,895</u>	<u>3</u>	<u>\$ 1,051,071</u>	<u>18</u>
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss				
Loss on remeasurements of defined benefit plans	(\$ 821)	-	(\$ 5,181)	-
Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	35,449	1	29,444	-
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(79,170)	(2)	92,743	2
Items that will be reclassified to profit or loss				
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	33,294	1	(4,569)	-
Other comprehensive (loss) income for the year	<u>(\$ 11,248)</u>	<u>-</u>	<u>\$ 112,437</u>	<u>2</u>
Total comprehensive income for the year	<u>\$ 130,647</u>	<u>3</u>	<u>\$ 1,163,508</u>	<u>20</u>
Basic earnings per share	\$ 0.50		\$ 3.73	
Diluted earnings per share	\$ 0.50		\$ 3.69	

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Capital			Retained Earnings			Total equity
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Other equity interest	
<u>Year 2021</u>							
Balance at January 1, 2021	\$ 2,677,073	\$ -	\$ 496,457	\$ -	(\$ 260,481)	(\$ 31,829)	\$ 2,881,220
Net income for the year	-	-	-	-	1,051,071	-	1,051,071
Other comprehensive income (loss) for the year	-	-	-	-	(5,181)	117,618	112,437
Total comprehensive income for the year	-	-	-	-	1,045,890	117,618	1,163,508
Exercise of employee share options	21,620	1,530	33,511	-	-	-	56,661
Conversion of subsidiaries' convertible bonds	-	-	30,845	-	-	-	30,845
Net change in equity of associates	-	-	(20,354)	-	-	-	(20,354)
Share-based compensation	-	-	16,652	-	-	-	16,652
Capital contribution from non-controlling interests	-	-	48,488	-	-	-	48,488
Changes in ownership interests in subsidiaries	-	-	(37,377)	-	-	-	(37,377)
Disposal of investments in equity instruments designed at fair value through other comprehensive income or loss	-	-	-	-	(1,340)	1,340	-
Balance at December 31, 2021	<u>\$ 2,698,693</u>	<u>\$ 1,530</u>	<u>\$ 568,222</u>	<u>\$ -</u>	<u>\$ 784,069</u>	<u>\$ 87,129</u>	<u>\$ 4,139,643</u>
<u>Year 2022</u>							
Balance at January 1, 2022	\$ 2,698,693	\$ 1,530	\$ 568,222	\$ -	\$ 784,069	\$ 87,129	\$ 4,139,643
Net income for the year	-	-	-	-	141,895	-	141,895
Other comprehensive loss for the year	-	-	-	-	(821)	(10,427)	(11,248)
Total comprehensive income	-	-	-	-	141,074	(10,427)	130,647
Appropriation and distribution of 2021 retained earnings:							
Legal reserve appropriated	-	-	-	78,407	(78,407)	-	-
Stock dividend	134,965	-	-	-	(134,965)	-	-
Cash dividends	-	-	-	-	(215,943)	-	(215,943)
Exercise of employee share options	6,960	2,055	10,788	-	-	-	19,803
Net change in equity of associates	-	-	30,939	-	-	-	30,939
Share-based compensation	-	-	38,527	-	-	-	38,527
Capital contribution from non-controlling interests	-	-	2,613	-	-	-	2,613
Changes in ownership interests in subsidiaries	-	-	(24,549)	-	-	-	(24,549)
Disposal of investments in equity instruments designed at fair value through other comprehensive income or loss	-	-	-	-	43,956	(43,956)	-
Issuance of convertible bonds	-	-	60,648	-	-	-	60,648
Repurchase of convertible bonds	-	-	(24)	-	-	-	(24)
Balance at December 31, 2022	<u>\$ 2,840,618</u>	<u>\$ 3,585</u>	<u>\$ 687,164</u>	<u>\$ 78,407</u>	<u>\$ 539,784</u>	<u>\$ 32,746</u>	<u>\$ 4,182,304</u>

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 175,007	\$ 1,119,781
Adjustments		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss	-	22,972
Depreciation	148,832	167,022
Amortization	48,029	39,110
Loss (gain) on financial assets at fair value through profit or loss	45,707	(7,433)
Interest expense	31,014	36,688
Interest expense from lease liabilities	3,234	3,159
Interest income	(1,273)	(3,640)
Dividend income	(1,230)	-
Share-based compensation	38,527	16,652
Share of loss of associates accounted for using the equity method	124,197	22,116
Gain on disposals of property, plant and equipment	-	(34,500)
Gains arising from lease modifications	(55)	(5)
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	(31,759)	(10,000)
Notes receivable - related parties	(31,756)	20
Inventories	(1,766,389)	(117,722)
Accounts receivable	453,753	(428,931)
Accounts receivable - related parties	102,159	(103,987)
Other receivables	40,687	(24,552)
Other receivables - related parties	(6,712)	28,571
Prepayments	(44,456)	(24,415)
Other current assets	(1,051)	191
Changes in operating liabilities		
Contract liability	(2,192)	(1,028)
Financial liabilities at fair value through profit or loss	1,955	-
Notes payable	751	(109)
Accounts payable	(251,312)	346,775
Other payables	(110,510)	189,351
Other current liabilities	(19,733)	(35,935)
Provisions for liabilities	(1,151)	(1,167)
Other non-current liabilities	-	(22,782)
Cash (outflow) inflow generated from operations	(1,055,727)	1,176,202
Interest received	1,271	3,643
Dividends received	1,230	-
Interest paid	(24,677)	(40,457)
Income tax refunded	-	137
Net cash flows (used in) from operating activities	<u>1,077,903</u>	<u>1,139,525</u>

(Continued)

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through profit or loss	(\$ 91,523)	(\$ 42,000)
Proceeds from disposal of financial assets at fair value through profit or lost	-	45,446
Proceeds from disposal of financial assets at fair value through other comprehensive income	70,358	30,580
Acquisition of investments accounted for using equity method	(150,451)	(209,706)
Proceeds from capital reduction of investment accounted for using equity method	-	106,458
Dividends received from investments accounted for using equity method	-	4,614
Proceeds from disposal of investments	-	337
Acquisition of property, plant and equipment	(151,373)	(89,523)
Proceeds from disposal of property, plant and equipment	-	34,500
Acquisition of intangible assets	(46,347)	(36,348)
Increase in refundable deposits	(10)	(410,725)
Increase in other non-current assets	(3,713)	(2,091)
Net cash flows used in investing activities	(373,059)	(568,458)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	3,203,595	1,067,454
Decrease in short-term loans	(2,261,227)	(1,070,369)
Increase in long-term loans	776,000	-
Decrease in long-term loans	(1,275,228)	(693,815)
Increase in guarantee deposits	61,762	219
Payment of lease principal	(21,673)	(21,791)
Issuance of convertible bonds payable	800,000	-
Repurchase of convertible bonds	(5,600)	-
Exercise of employee stock options	19,803	56,661
Cash dividends paid	(215,943)	-
Net cash flows from (used in) financing activities	1,081,489	(661,641)
Net decrease in cash and cash equivalents	(369,473)	(90,574)
Cash and cash equivalents at beginning of year	928,016	1,018,590
Cash and cash equivalents at end of year	\$ 558,543	\$ 928,016

Attachment IV

CPA's Audit Report and 2022 Consolidated Financial Statements INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Etron Technology, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Etron Technology, Inc. and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Key audit matters - Valuation of accounts receivable

Description

Please refer to Note 4(10) for accounting policies on valuation of accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of accounts receivable, and Note 6(5) for details of accounts receivable. As of December 31, 2022, the total amount of accounts receivable and allowance for uncollectible accounts were NT\$960,813 thousand and NT\$82,653 thousand, respectively.

The Group assesses the allowance for uncollectible receivables by each individual counterparty when there are significant past due accounts receivable arising from each individual counterparty. The valuation of allowance for uncollectible accounts receivable for the remaining counterparties is based on the default risk and expected loss rate. The amount of accounts receivable is material to the consolidated financial statements and the valuation involves subjective judgment made by management. Thus, we consider the valuation of accounts receivable a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter, these procedures included: obtained an understanding and evaluated the design and operating effectiveness of internal controls related to revenue and receivable business process, obtained the aging report of accounts receivable and validated the accuracy, obtained and validated the assessment made by management in identifying significant expected credit loss for each individual counterparty and respective supporting documents, obtained and validated the expected credit loss ratios calculated by management based on the Company's historical data of similar credit risk and forward-looking information, and tested subsequent collection in order to assess the reasonableness of allowance for uncollectable accounts.

Key audit matters - Valuation of inventories

Description

Refer to Note 4(14) for accounting policies on valuation of inventories, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of inventories, and Note 6(6) for details of inventories. As of December 31, 2022, the total amount of inventories and allowance for inventory valuation loss were NT\$4,098,420 thousand and NT\$515,232 thousand, respectively.

The Group is primarily engaged in the design, manufacture and sale of niche memory chips. Due to rapidly technology changes and fluctuation in market demands, there is a higher risk of decline in market values of inventories or obsolescence. The Group's inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value for inventories aged over a certain period of time and individually identified as obsolete involves management's subjective judgment and the amount of inventories is material to the consolidated financial statements. Thus, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter, these procedures included: assessed the reasonableness of policies regarding valuation of inventories and provision of allowance for inventory valuation loss, validated the consistency of quantities and amounts of inventories between inventory aging report at year end and inventory sub-ledger, sample tested the accuracy of categorization of inventory aging report, sample tested individually identified inventory items and the reasonableness of the estimation of net realisable values in order to ensure the sufficiency of allowance of inventory valuation loss.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method recognized by the Group's investee accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method amounted to NT\$336,110 thousand and NT\$313,775 thousand, constituting 4.08% and 4.36% of the consolidated total assets as at December 31, 2022 and 2021, and the comprehensive income recognized from investments accounted for under the equity method amounted to NT(\$41,365) thousand and NT\$34,364 thousand, constituting (63.71%) and 3.05% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Etron Technology, Inc. as at and for the years ended December 31, 2022 and 2021.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Chiang, Tsai-yen

Hsu, Sheng-Chung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

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

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

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2022		December 31, 2021	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 842,402	10	\$ 1,277,391	18
Financial assets at fair value through profit or loss - current	60,894	1	5,253	-
Financial assets at amortised cost-current	30,057	-	18,971	-
Notes receivable, net	73,838	1	10,000	-
Accounts receivable, net	878,160	11	1,425,185	20
Other receivables	18,819	-	46,620	-
Current income tax assets	13	-	14	-
Inventories, net	3,583,188	44	1,802,481	25
Prepayments	145,566	2	55,989	1
Other current assets	2,859	-	1,268	-
Total current assets	5,635,796	69	4,643,172	64
Non-current assets				
Financial assets at fair value through other comprehensive income-non-current	680,510	8	751,176	11
Financial assets at amortised cost-non-current	5,941	-	5,941	-
Investments accounted for using equity method	336,110	4	313,775	4
Property, plant and equipment	667,688	8	624,685	9
Right-of-use assets	211,371	3	142,422	2
Intangible assets	41,586	-	56,507	1
Deferred income tax assets	216,766	3	241,501	3
Other non-current assets	428,657	5	425,203	6
Total non-current assets	2,588,629	31	2,561,210	36
Total assets	\$ 8,224,425	100	\$ 7,204,382	100

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	December 31, 2022		December 31, 2021	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 1,083,088	13	\$ 140,720	2
Financial liabilities at fair value through profit or loss - current	8,662	-	-	-
Contract liabilities-current	2,164	-	4,276	-
Notes payable	753	-	1,534	-
Accounts payable	687,754	8	943,330	13
Other payables	298,604	4	366,877	5
Current income tax liabilities	5,240	-	324	-
Current lease liabilities	22,514	-	22,833	-
Long-term liabilities, current portion	197,498	3	766,818	11
Other current liabilities, others	8,452	-	31,154	1
Total current liabilities	<u>2,314,729</u>	<u>28</u>	<u>2,277,866</u>	<u>32</u>
Non-current liabilities				
Bonds payable	739,984	9	-	-
Long-term borrowings	574,731	7	504,432	7
Deferred income tax liabilities	3,444	-	483	-
Non-current lease liabilities	193,311	2	123,237	1
Other non-current liabilities	116,145	2	54,767	1
Total non-current liabilities	<u>1,627,615</u>	<u>20</u>	<u>682,919</u>	<u>9</u>
Total Liabilities	<u>3,942,344</u>	<u>48</u>	<u>2,960,785</u>	<u>41</u>
Equity attributable to owners of parent				
Share capital				
Common stock	2,840,618	34	2,698,693	37
Capital collected in advance	3,585	-	1,530	-
Capital surplus				
Capital surplus	687,164	9	568,222	8
Retained earnings				
Legal reserve	78,407	1	-	-
Unappropriated retained earnings	539,784	7	784,069	11
Other equity interest	32,746	-	87,129	2
Equity attributable to owners of parent	<u>4,182,304</u>	<u>51</u>	<u>4,139,643</u>	<u>58</u>
Non-controlling interests	<u>99,777</u>	<u>1</u>	<u>103,954</u>	<u>1</u>
Total equity	<u>4,282,081</u>	<u>52</u>	<u>4,243,597</u>	<u>59</u>
Significant contingent liabilities and unrecognized contract commitments				
Significant events after the balance sheet date				
Total liabilities and equity	<u>\$ 8,224,425</u>	<u>100</u>	<u>\$ 7,204,382</u>	<u>100</u>

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

Items	Year ended December 31			
	2022		2021	
	AMOUNT	%	AMOUNT	%
Operating revenue	\$ 4,684,589	100	\$ 6,146,406	100
Operating costs	(3,484,313)	(74)	(4,024,737)	(65)
Gross profit from operations	<u>1,200,276</u>	<u>26</u>	<u>2,121,669</u>	<u>35</u>
Operating expenses				
Selling expenses	(221,106)	(5)	(185,851)	(3)
General and administrative expenses	(292,019)	(6)	(305,437)	(5)
Research and development expenses	(666,079)	(14)	(599,127)	(10)
Expected credit impairment (loss) gain	(409)	-	40,028	1
Total operating expenses	<u>(1,179,613)</u>	<u>(25)</u>	<u>(1,050,387)</u>	<u>(17)</u>
Other operating income and expenses-net	<u>62,523</u>	<u>1</u>	<u>57,647</u>	<u>1</u>
Operating profit	<u>83,186</u>	<u>2</u>	<u>1,128,929</u>	<u>19</u>
Non-operating income and expenses				
Interest income	2,437	-	3,974	-
Other income	78,052	2	30,650	1
Other gains and losses	(33,454)	(1)	20,029	-
Finance costs	(34,413)	(1)	(39,931)	(1)
Expected credit impairment loss	-	-	(63,000)	(1)
Share of profit of associates and joint ventures accounted for using equity method	<u>11,504</u>	<u>-</u>	<u>3,119</u>	<u>-</u>
Total non-operating income and expenses	<u>24,126</u>	<u>-</u>	<u>(45,159)</u>	<u>(1)</u>
Profit before income tax	<u>107,312</u>	<u>2</u>	<u>1,083,770</u>	<u>18</u>
Income tax expense	(33,112)	(1)	(68,735)	(1)
Net income for the year	<u>\$ 74,200</u>	<u>1</u>	<u>\$ 1,015,035</u>	<u>17</u>

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

Items	Year ended December 31			
	2022		2021	
	AMOUNT	%	AMOUNT	%
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss				
Loss on remeasurements of defined benefit plans	(\$ 821)	-	(\$ 5,181)	-
Unrealised gains on investment in equity instruments at fair value through other comprehensive (loss) income	(46,882)	(1)	118,713	2
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	3,161	-	3,474	-
Components of other comprehensive income that will not be reclassified to profit or loss	(44,542)	(1)	117,006	2
Items that will be reclassified to profit or loss				
Currency translation differences of foreign operations	91,297	2	(24,582)	-
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(56,030)	(1)	19,290	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss	35,267	1	(5,292)	-
Other comprehensive (loss) income for the year	(\$ 9,275)	-	\$ 111,714	2
Total comprehensive income for the year	<u>\$ 64,925</u>	<u>1</u>	<u>\$ 1,126,749</u>	<u>19</u>
Profit (loss) attributable to:				
Owners of the parent company	\$ 141,895	2	\$ 1,051,071	17
Non-controlling interest	(67,695)	(1)	(36,036)	-
	<u>\$ 74,200</u>	<u>1</u>	<u>\$ 1,015,035</u>	<u>17</u>
Total comprehensive income (loss) attributable to:				
Owners of the parent company	\$ 130,647	2	\$ 1,163,508	20
Non-controlling interest	(65,722)	(1)	(36,759)	(1)
	<u>\$ 64,925</u>	<u>1</u>	<u>\$ 1,126,749</u>	<u>19</u>
Basic earnings per share	<u>\$</u>	<u>0.50</u>	<u>\$</u>	<u>3.73</u>
Diluted earnings per share	<u>\$</u>	<u>0.50</u>	<u>\$</u>	<u>3.69</u>

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent									
	Share capital			Retained earnings			Other equity interest	Total	Non-controlling interest	Total equity
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Unappropriated retained earnings (Accumulated deficit)					
<u>2021</u>										
Balance at January 1, 2021	\$ 2,677,073	\$ -	\$ 496,457	\$ -	(\$ 260,481)	(\$ 31,829)	\$ 2,881,220	\$ 35,904	\$ 2,917,124	
Net profit (loss) for the year	-	-	-	-	1,051,071	-	1,051,071	(36,036)	1,015,035	
Other comprehensive income (loss) for the year	-	-	-	-	(5,181)	117,618	112,437	(723)	111,714	
Total comprehensive income (loss) for the year	-	-	-	-	1,045,890	117,618	1,163,508	(36,759)	1,126,749	
Exercise of employee share options	21,620	1,530	33,511	-	-	-	56,661	-	56,661	
Conversion of subsidiaries' convertible bonds	-	-	30,845	-	-	-	30,845	11,958	42,803	
Net change in equity of associates	-	-	(20,354)	-	-	-	(20,354)	-	(20,354)	
Share-based compensation	-	-	16,652	-	-	-	16,652	2,872	19,524	
Capital contribution from non-controlling interests	-	-	48,488	-	-	-	48,488	52,602	101,090	
Changes in ownership interests in subsidiaries	-	-	(37,377)	-	-	-	(37,377)	37,377	-	
Disposal of investments in equity instruments designated at fair value through other comprehensive income or loss	-	-	-	-	(1,340)	1,340	-	-	-	
Balance at December 31, 2021	<u>\$ 2,698,693</u>	<u>\$ 1,530</u>	<u>\$ 568,222</u>	<u>\$ -</u>	<u>\$ 784,069</u>	<u>\$ 87,129</u>	<u>\$ 4,139,643</u>	<u>\$ 103,954</u>	<u>\$ 4,243,597</u>	
<u>2022</u>										
Balance at January 1, 2022	\$ 2,698,693	\$ 1,530	\$ 568,222	\$ -	\$ 784,069	\$ 87,129	\$ 4,139,643	\$ 103,954	\$ 4,243,597	
Net profit (loss) for the year	-	-	-	-	141,895	-	141,895	(67,695)	74,200	
Other comprehensive income (loss) for the year	-	-	-	-	(821)	(10,427)	(11,248)	1,973	(9,275)	
Total comprehensive income (loss) for the year	-	-	-	-	141,074	(10,427)	130,647	(65,722)	64,925	
Appropriation and distribution of 2021 retained earnings:										
Legal reserve appropriated	-	-	-	78,407	(78,407)	-	-	-	-	
Stock dividends	134,965	-	-	-	(134,965)	-	-	-	-	
Cash dividends	-	-	-	-	(215,943)	-	(215,943)	-	(215,943)	
Exercise of employee share options	6,960	2,055	10,788	-	-	-	19,803	-	19,803	
Net change in equity of associates	-	-	30,939	-	-	-	30,939	-	30,939	
Share-based compensation	-	-	38,527	-	-	-	38,527	4,022	42,549	
Capital contribution from non-controlling interests	-	-	2,613	-	-	-	2,613	32,974	35,587	
Changes in ownership interests in subsidiaries	-	-	(24,549)	-	-	-	(24,549)	24,549	-	
Disposal of investments in equity instruments designated at fair value through other comprehensive income or loss	-	-	-	-	43,956	(43,956)	-	-	-	
Issuance of convertible bonds	-	-	60,648	-	-	-	60,648	-	60,648	
Repurchase of convertible bonds	-	-	(24)	-	-	-	(24)	-	(24)	
Balance at December 31, 2022	<u>\$ 2,840,618</u>	<u>\$ 3,585</u>	<u>\$ 687,164</u>	<u>\$ 78,407</u>	<u>\$ 539,784</u>	<u>\$ 32,746</u>	<u>\$ 4,182,304</u>	<u>\$ 99,777</u>	<u>\$ 4,282,081</u>	

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 107,312	\$ 1,083,770
Adjustments		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss	409	22,972
Depreciation	157,477	175,261
Amortization	71,931	52,737
Loss (gain) on financial assets at fair value through profit or loss	45,680	(8,409)
Share-based compensation	42,549	19,524
Interest expense	31,153	36,727
Interest expense from lease liabilities	3,260	3,204
Interest income	(2,437)	(3,974)
Dividend income	(18,484)	(19,480)
Share of profit of associates accounted for using equity method	(11,504)	(3,119)
Gain on disposal of investments accounted for using equity method	(1,921)	-
Gain on disposal of property, plant and equipment	(98)	(34,444)
Gains arising from lease modifications	(55)	(5)
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets at fair value through profit or loss	-	2,627
Notes receivable	(63,838)	(10,000)
Accounts receivable, net	546,615	(559,584)
Other receivables	36,428	(24,330)
Inventories, net	(1,780,707)	(142,848)
Prepayments	(89,577)	(27,762)
Other current assets	(1,591)	434
Changes in operating liabilities		
Financial liabilities at fair value through profit or loss	1,956	-
Contract liabilities	(2,112)	(4,251)
Notes payable	(781)	(453)
Accounts payable	(255,576)	347,173
Other payables	(94,389)	198,961
Other current liabilities	(22,702)	(51,230)
Net defined benefit liability	(1,151)	(1,167)
Other non-current liabilities	-	(22,782)
Cash (outflow) inflow generated from operations	(1,302,153)	1,029,552
Interest received	2,303	3,961
Dividends received	18,484	19,480
Interest paid	(24,842)	(40,540)
Income tax refunded	-	112
Net cash flows (used in) from operating activities	(1,306,208)	1,012,565

(Continued)

ETRON TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through profit or loss	(\$ 94,501)	(\$ 42,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	45,446
Acquisition of financial assets at fair value through other comprehensive income	(13,232)	(40,268)
Proceeds from disposal of financial assets at fair value through other comprehensive income	75,473	30,580
Proceeds from liquidation of financial assets at fair value through other comprehensive income	-	504
Recovery of investment cost from financial assets at fair value through other comprehensive income	-	5,578
Increase on financial assets at amortised cost	(11,086)	(3,287)
Proceeds from liquidation of investments accounted for using equity method	123	-
Acquisition of property, plant and equipment	(161,725)	(97,207)
Proceeds from disposal of property, plant and equipment	100	34,501
Acquisition of intangible assets	(55,514)	(82,316)
Increase in refundable deposits	(241)	(410,762)
Increase in other non-current assets	(3,213)	(2,077)
Net cash flows used in investing activities	(263,816)	(561,308)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	3,203,595	1,067,454
Decrease in short-term loans	(2,261,227)	(1,070,369)
Increase in long-term loans	776,000	-
Decrease in long-term loans	(1,274,973)	(694,031)
Increase in guarantee deposits	61,708	205
Payment of lease principal	(22,794)	(22,826)
Proceeds from issuance of convertible bonds payable	800,000	-
Buyback of convertible bonds payable	(5,600)	-
Capital contribution from non-controlling interests	35,587	101,090
Exercise of employee share options	19,803	56,661
Cash dividends paid	(215,943)	-
Net cash flows from (used in) financing activities	1,116,156	(561,816)
Effect of change in exchange rate	18,879	(7,430)
Net decrease in cash and cash equivalents	(434,989)	(117,989)
Cash and cash equivalents at beginning of year	1,277,391	1,395,380
Cash and cash equivalents at end of year	\$ 842,402	\$ 1,277,391

Attachment V**Earnings Distribution Table of Etron Technology, Inc.****2022**

Unit: NT\$

Item	Amount
Unappropriated retained earnings of previous years	354,754,337
Add: 2022 Net Income after Tax	141,894,805
Add: Disposal of investments in equity instruments designated at fair value through other comprehensive income or loss	43,955,751
Less: Actuarial Gain or Loss on Defined Benefit Plans	(821,393)
Less: Legal Reserve	(18,502,916)
Distributable Earnings	521,280,584
Distribution Items	
Less: Shareholder Dividend - Cash (NT\$ 0.02 per share)	(5,684,236)
Shareholder Dividend - Share (NT\$ 0.14 per share)	(39,789,660)
Ending unappropriated retained earnings	475,806,688

Notes 1: Pursuant to TCSD No. 87941343 issued by the Ministry of Finance on April 30, 1998, the Company shall adopt the first-in first-out approach, and distribute the 2022 undistributed earnings first, and then the earnings generated from other years in chronological order.

Notes 2: Calculation basis for common share dividend: based on the 284,211,815 outstanding shares on December 31, 2022.

Notes 3: The Company's dividend is rounded down to the nearest NT\$. In the event of buy-back of the Company's share, transfer, conversion, or retirement of treasury shares, the exercise of employee share options, capital increase through issuance of new shares, conversion of corporate bonds into common shares, or issuance of restricted employee stock units to the extent that the total quantity of outstanding shares on the ex-dividend date is affected and the payout ratio of cash and share dividends is changed, such matter shall be proposed at the Shareholders' Meeting to authorize the Board to make adjustments based on the cash and share dividend amount resolved at this Shareholders' Meeting and the actual outstanding shares on the ex-dividend date for the distribution of cash and share dividends.

Chairman & CEO:
Nicky Lu

President:
Elvis Deng

Chief Accounting Officer:
Yu-Chia, Cheng

Attachment VI

Director's Acts for Himself or for Others Within the Scope of the Company's Business

Name	Name of Competing Company and Its Major Business Items		Position
Elvis Deng	DeCloak Intelligences Co.	Software information services	Supervisor
Nicky Lu	DeCloak Intelligences Co.	Software information services	Director and CEO
	Invention And Collaboration Laboratory Pte. Ltd.	Development, consulting, and design of semiconductor technology	Consultant
	T-Era Architecture Technology, Inc.	General investment	Consultant
	TAT Technology, Inc.	General investment	Consultant
	T-Era Architecture Technology Corp.	Development, consulting, and design of semiconductor technology	Consultant
	TAT Technology Corp.	Development, consulting, and design of semiconductor technology	Consultant

Chapter 3. Appendix

Appendix I

Rules of Procedures for Shareholders' Meetings of Etron Technology, Inc.

- Article 1: Unless otherwise required by laws and regulations, the Shareholders' Meeting of the Company shall be conducted in accordance with these Rules.
- Article 2: The Company shall provide a signature book for the shareholders attending the meeting to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the book. The number of shares present shall be calculated based on the signature book or sign-in cards submitted by the shareholders.
- Article 3: The attendance and voting at the Shareholders' Meeting shall be calculated based on the number of shares they hold.
- Article 4: The Shareholders' Meeting shall be held in the place where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and the Shareholders' Meeting shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.
- Article 5: If a Shareholders' Meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall act as the chairperson. If the Chairman is on leave or cannot exercise his/her powers and authorities for any reason, the Vice Chairman shall act on the Chairman's behalf. If there's no Vice Chairman, or the Vice Chairman is also on leave or cannot exercise his/her powers and authorities for any reason, the Chairman shall designate a Managing Director to act on his/her behalf. If there's no Managing Director, the Chairman shall designate a Director to act on his/her behalf. In case of absence of such designation, the Managing Directors or the Directors shall elect one from among themselves to act on the Chairman's behalf.
- If the Shareholders' Meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting.
- Article 6: The Company may designate entrusted attorneys, CPAs, or other relevant personnel to attend the Shareholders' Meeting.
- Staff at the Shareholders' Meetings shall wear ID badges or arm badges.
- Article 7: The Company shall record the entire process of the Shareholders' Meeting by audio or video, and keep it for at least one year.
- Article 8: The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements, and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be made in accordance with paragraph one of Article 175 of the Company Act.
- In the event that the number of shares represented by attending shareholders reaches more than half of the total issued shares before that same meeting is adjourned, the chairperson may submit the tentative resolution(s) so made at the meeting anew for resolution in accordance with Article 174 of the Company Act.
- Article 9: The agenda for the Shareholders' Meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. The meeting shall be carried out based on the scheduled agenda, and no change may be made unless otherwise resolved by the Shareholders' Meeting. Except for the proposals specified in the agenda handbook, when a shareholder proposes other matters or an amendment or an alternative to the original proposal, such proposal shall be seconded by other shareholders, provided that

the number of shares represented by the proposer and the seconder shall reach 1 percent of the total issued ordinary shares.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.

The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional/extemporaneous motions) unless duly resolved in the meeting.

After the meeting is adjourned, the shareholders shall not elect another chairperson to resume such a meeting at the same location or seek an alternative venue.

Article 10: An attending shareholder must complete and submit a speaker's slip before speaking at the Shareholders' Meeting, specifying the subject of his/her speaking and his/her shareholder account number (or his/her attendance certificate number). The order in which shareholders speak will be set by the chairperson.

An attending shareholder who submits a speaker's slip but does not speak at the meeting shall be deemed to have not spoken. In the event of any inconsistency between the contents of the shareholder's speaking and those recorded on the slip, the contents of the shareholder's speaking shall prevail.

When an attending shareholder is speaking at the meeting, no other shareholder may interrupt the speaking shareholder, unless it is permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.

The attending shareholders shall be obliged to abide by the Rules of Procedures for Shareholders' Meetings, follow resolutions, and maintain the order in the meeting venue.

Article 11: Unless otherwise approved by the chairperson, a shareholder may only speak on the same proposal no more than two times, with each time no more than five minutes.

The chairperson may stop the speaking of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal. Those who refuse to accept the chairperson's correction and disturb the order of the meeting venue, the chairperson may discontinue their attendance of the meeting.

Article 12: In the event that a juristic (corporate) person is entrusted to attend a Shareholders' Meeting, that juristic (corporate) person may appoint only one representative to attend the meeting.

In the event that a juristic (corporate) person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one representative may speak on the same motion.

Article 13: After an attending shareholder speaks at the meeting, the chairperson may answer either in person or through a designee.

Article 14: Where the chairperson believes a proposal has been discussed at the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion, and bring that proposal to voting.

Article 15: The person(s) supervising the casting of ballots and the person(s) counting the ballots shall be designated by the chairperson, and the person(s) supervising the casting of the ballots shall be a shareholder. The voting results shall be announced on the spot and made into records.

Any vote with the following circumstances shall be deemed void, and the votes obtained therein shall not be counted.

1. Any ballot not prepared by the Company is used.
2. Any ballot not cast into the ballot box.
3. Any ballot that is blank without content, or without opinions on the proposal.
4. Any ballot with other words entered in addition to the contents which shall be completed in a voting ballot.
5. Any ballot with illegible writing renders it unrecognizable, or any ballot is altered.
6. Any ballot used by any proxy in violation of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

- Article 16: During a meeting course, the chairperson may, at his/her discretion, announce a break. In case of any earthquake, air-raid warning, or other force majeure, the chairperson shall declare the meeting temporarily suspended for evacuation, and announce a time for the meeting to be resumed depending on the circumstances, or resume the meeting within 5 days, without notice and announcement, by resolution of the Shareholders' Meeting.
- Article 17: Unless otherwise provided for in the Company Act or the Articles of Incorporation, a resolution shall be passed by the approval of more than half of the votes of the attending shareholders.
If, during the voting course, no objection is filed after it was inquired by the chairperson, a proposal shall be deemed as passed with the same effect as if it had been passed through voting by ballots.
- Article 18: If there's an amendment or an alternative to a proposal, the chairperson may combine the amendment or alternative into the original proposal, and determine their orders for resolution. If any one among them is passed, other proposal(s) shall be deemed as rejected, and no further voting is required.
- Article 19: The chairperson may instruct patrol personnel (or security personnel) to assist in maintaining the order in the meeting venue. Such patrol personnel (or security personnel) shall wear arm badges marked with "Patrol Personnel" while assisting in maintaining the order on site.
- Article 20: Any matters not provided for herein shall subject to the Company Act, as well as other related laws and regulations.
- Article 21: These Rules shall be implemented after they are approved by the Shareholders' Meeting, and the same shall apply to any amendments.

Appendix II

Articles of Incorporation of Etron Technology, Inc.

Chapter 1. General Provisions

Amended at the Shareholders' Meeting on May 13, 2020

- Article 1: The Company is incorporated under the Chinese name of “鈺創科技股份有限公司”, and English name of “Etron Technology, Inc.” in accordance with the provisions of the Company Act on the company limited by shares.
- Article 2: The businesses operated by the Company are as follows:
- (I) Research, development, production, manufacturing, testing, and sale of: semiconductor devices, including various types of integrated circuits and their components.
 - (II) Management consulting, consulting, and transfer of technologies related to the products specified in the preceding paragraph.
 - (III) Concurrently operating of the import and export tradings and businesses relating to the Company's businesses.
- Article 3: The Company may act as a guarantor for the external due to business needs.
- Article 4: The total reinvestment by the Company shall not be subject to the restriction of no more than 40 percent of its paid-in capital as provided in Article 13 of the Company Act.
- Article 5: The Company has established its headquarter in Hsinchu Science Park Taiwan. The Company may establish branches or offices both at home and abroad, if necessary, upon the resolution of the Board of Directors and the approval of competent authority.
- Article 6: Announcements shall be made by the Company in accordance with Article 28 of the Company Act.

Chapter 2. Shares

- Article 7: The Company's total capital is NT\$ Six Billion Five Hundred Million, which is divided into Six Hundred and Fifty Million shares with par value of NT\$ Ten each, among which the unissued shares will be issued by multiple times by the Board of Directors as authorized. The issuance price of each share shall be determined by the Board of Directors in accordance with the Company Act or securities-related laws and regulations.
- NT\$ Six Hundred and Fifty Million shall be reserved, from the capital mentioned in the preceding paragraph, for issuance of employee stock option, which shall be distributed as Sixty-Five Million shares, with par value of NT\$ Ten each, by multiple times by the resolution of the Board of Directors.
- Article 8: The Company's share certificates shall bear names, and shall be numbered and signed or affixed with seals by Directors representing the Company, and then shall be authenticated by competent authority or the issuance registry institution accredited by the competent authority before issuance. The Company may issue shares without certificates, but such shares shall be registered with a central securities depository organization.
- Article 9: For transfer of shares, an application shall be filed, signed, and affixed with seals by transferor and transferee. An application shall be made to the Company or its designated stock agencies for registration of such transfer. The shares shall be deemed as owned by their original shareholders, until the formalities for transfer are completed.
- Article 10: In case of loss of share certificates, shareholder shall notify the Company formally, and relevant formalities shall be handled in accordance with the "Guidelines for Stock Operations for Public Companies".
- Article 11: Registration for transfer of shares shall be stopped, sixty days before the date of each

regular Shareholders' Meeting, thirty days before the date of each extraordinary Shareholders' Meeting, or five days before the date on which dividends, and bonus, or any other benefits will be paid by the Company as decided.

Chapter 3. Shareholders' Meeting

- Article 12: The Company's Shareholders' Meetings are classified into the following two kinds:
- (I) Regular Shareholder' Meeting, which shall be held annually within six months after closing of each accounting year.
 - (II) Extraordinary Shareholders' Meeting, which shall be held whenever necessary in the Board of Directors' opinion.
- Article 13: Shareholders' Meetings shall be presided by the Chairman. In case the Chairman is on leave or cannot exercise his powers and authorities for any reason, the Chairman shall designate one of the Directors to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves to act on behalf of the Chairman. If the meeting is convened by a person other than the Board of Directors, such person shall act as the chairperson at that meeting; if there is more than one person with the authority to convene the meeting, the chairperson for the meeting shall be elected from among them.
- Article 14: All shareholders shall be notified of the date and place of, as well as the reasons for holding, the meeting, at least thirty days prior to a regular Shareholders' Meeting, and at least fifteen days prior to an extraordinary Shareholders' Meeting.
- Article 15: If any shareholder cannot attend a Shareholders' Meeting for any reason, he/she may issue a proxy in the form printed by the Company, specifying the scope of authorization, to authorize a proxy to attend the meeting.
- Article 16: A shareholder of the Company shall have one vote for each share he/she holds, unless otherwise stipulated by laws and regulations.
- Article 17: Unless otherwise provided for in the Company Act, resolutions of the Shareholders' Meeting shall be adopted as approved by over half of the votes of the shareholders present at the meeting attended by the shareholders representing more than half of the total issued shares. When the Company holds a Shareholders' Meeting, shareholders may exercise their voting rights in an electronic way; the relevant methods of exercising their voting rights and related matters shall be subject to laws and regulations.
- Article 17-1: The resolutions of the Shareholders' Meeting shall be made into meeting minutes legally, and signed or affixed with seals by the chairperson, and shall be distributed to each shareholder within 20 days after the conclusion of the meeting.
- The meeting minutes mentioned in the preceding paragraph shall be distributed in accordance with Company Act.
- Meeting minutes shall record the date and place of the meeting, the name of the chairperson, the method for adopting the resolutions, as well as the summary and results of the discussion. Meeting minutes shall be kept for as long as the Company survives.
- The signature book of attending shareholders and the power of attorney for proxy shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, these documents shall be archived until the closing of the lawsuit.

Chapter 4. Directors

- Article 18: The Company shall have 7 to 9 Directors, with a term of 3 years and shall be eligible for re-election. The Directors shall be elected by the shareholders from a list of candidates under a candidate nomination system at the Shareholders' Meeting. The Board of Directors is authorized to determine the number of Directors.

There shall be no less than two Independent Directors among the number of Directors to be elected as referred to in the preceding paragraph, and the Independent Directors shall represent no less than one-fifth of the number of Directors. The professional qualifications, restrictions on shareholding and concurrent positions, method of nomination and election, and other matters related to Independent Directors shall be subject to the relating regulations of the authority in charge of securities. Independent Directors and Non-independent Directors shall be elected in the same election, but the number of Independent Directors and Non-independent Directors elected shall be calculated separately.

The total bearer shares held by all Directors shall be subject to the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies issued by the competent authority.

The Company may purchase liability insurance for Directors during their term, covering their liabilities which may be assumed by them within the scope of businesses they perform.

Article 19: The Board of Directors shall be composed of Directors, and their powers shall be subject to the Company Act, and other related laws and regulations.

Article 20: Directors shall elect one from among themselves to act as Chairman as approved by over half of the Directors present at a meeting attended by more than two-thirds of the Directors. The Chairman shall have the authority to represent the Company.

Article 21: Unless otherwise provided for in Company Act, the Board of Directors' meeting shall be convened by the Chairman. All Directors shall be notified of the cause for holding the meeting, seven days before the meeting. In case of any emergency, a Board of Directors' meeting may be convened at any time. The notice of Board of Directors' meeting mentioned in the preceding paragraph may be served in writing, or by means of facsimile or e-mail, etc. Unless otherwise provided for in Company Act, resolutions of the Board of Directors shall be adopted as approved by over half of the Directors present at a meeting attended by more than half of the Directors.

Article 22: The Chairman shall act as the chairperson of the Board of Directors' meeting. If the Chairman is on leave or cannot exercise his/her powers and authorities for any reason, the Chairman shall designate a Director to act on his/her behalf. In case of absence of such designation, the Directors shall elect one from among themselves to act on the Chairman's behalf. Directors shall attend the Board Of Directors' meeting in person. If any Director cannot attend the meeting in person for any reason, he/she may appoint another Director to act on his/her behalf; Independent Director shall attend in person any meeting concerning a matter that requires a resolution by the Board of Directors under Article 14-3 of the Securities and Exchange Act, or shall authorize another Independent Director to attend on his/her behalf. An Independent Director designated as proxy may accept a proxy from one person only.

If any Board of Directors' meeting is held by video conference, Directors who attend the meeting by video shall be deemed as attending such meeting in person.

Article 23: The Company's Audit Committee is composed of all Independent Directors, and their powers shall be subject to the Securities and Exchange Act, other related laws and regulations, as well as Audit Committee's rules.

Article 24: The Board of Directors shall be authorized to determine the remuneration to the Company's Directors based on the general level in the same industry.

Chapter 5. Managerial Officer

- Article 25: The Company may have more than one CEO, General Manager, and Deputy General Manager. Their appointment, dismissal, and remuneration shall be governed by Article 29 of the Company Act and relevant regulations. The Board of Directors shall be authorized, and the Board of Directors may authorize the Chairman, to resolve on their powers.
- Article 26: Managerial Officers shall not concurrently hold any equivalent positions at any other companies, nor engage in any same kind of businesses for himself/herself or others, except for approved by more than half of the Directors.
- Article 27: The General Manager shall manage the daily business of the Company in accordance with relevant laws and regulations, the Company's Articles of Incorporation, and the resolutions of the Shareholders' Meeting or the Board of Directors.

Chapter 6. Accounting

- Article 28: The Company's accounting year shall begin on January 1 and end on December 31. Final accounts shall be prepared at the end of each fiscal year.
- Article 29: In accordance with Article 228 of the Company Act, at the end of each accounting year, the Board of Directors shall prepare the following documents, and submit them to the regular Shareholders' Meeting for ratification.
- (I) Business Report.
 - (II) Financial Statements.
 - (III) Earnings distribution or loss recovery proposal.
- Article 30: If the Company has earnings in its final account for the year, it shall first use the earnings to pay taxes and recover losses, and then set aside 10% as statutory surplus reserve and set aside or write off special surplus reserve according to the resolutions made by the Shareholders' Meeting or competent authority's order. Thereafter, the Board of Directors shall draft a distribution proposal for any remaining balance in retained earnings and previously accumulated undistributed earnings, and shall make request to the Shareholders' Meeting for its resolution to distribute the same.
- The Company's dividends policy is formulated by its Board of Directors, based on the Company's mid- and long-term operating plans, investment plans, capital budgeting and changes in internal and external circumstances, and by considering the interests of shareholders. In addition to the distribution of earnings according to the provisions of the preceding paragraph, the cash dividends paid to shareholders in the current year shall not be less than 5%.
- Article 30-1: The Company shall distribute no less than 12% of the current year's earnings as the compensation to employees, and no more than 2% of the current year's earnings as the compensation to Directors. If there are accumulated losses, the Company shall recover them.
- The employees to whom compensation shall be paid in shares or cash and the objects to whom shares or cash shall be distributed may include the employees of the Company's subordinated companies that meet certain criteria.
- The current year's earnings referred to in paragraph one shall mean the pre-tax earnings of the current year before deduction of the compensation to employees and Directors.
- Distribution of compensations to employees and Directors shall be implemented as approved by more than half of the Directors present at the Board of Directors' meeting attended by over two-thirds of the Directors, and shall be reported to the Shareholders' Meeting.
- Article 31: The distribution of dividends to shareholders shall be limited to those shareholders whose names appear on the register of shareholders on the base date when the dividends and bonus are determined to be distributed.

Chapter 7. Bylaws

- Article 32: The Company's organizational rules and rules for implementation shall be formulated separately.
- Article 33: Any matters not provided for herein shall be subject to the Company Act, as well as other relating laws and regulations.
- Article 34: The Company's Directors, Managerial Officers, and the employees, and other personnel shall not make available or disclose to others the Company's confidential documents, or the technologies, markets, products, and other confidential data known by them due to participation in the Company's operation. The Company's technologies, markets, products, and other detailed confidential data shall not be reported to the Shareholders' Meeting, unless it is approved by over half of the votes of the shareholders present at the meeting attended by the shareholders representing more than two-thirds of the total number of issued shares.
- Article 35: These Articles of Incorporation are formulated as approved by all initiators at the initiators' meeting on January 15, 1991, and shall be implemented from the date of the approval and registration by the competent authority.
- The 1st amendment was made on October 11, 1992,
The 2nd amendment was made on April 30, 1993,
The 3rd amendment was made on January 30, 1994,
The 4th amendment was made on April 17, 1994,
The 5th amendment was made on April 17, 1995,
The 6th amendment was made on May 20, 1996,
The 7th amendment was made on June 2, 1997,
The 8th amendment was made on April 11, 1998,
The 9th amendment was made on June 28, 1999,
The 10th amendment was made on April 20, 2000,
The 11th amendment was made on April 20, 2000,
The 12th amendment was made on June 30, 2000,
The 13th amendment was made on June 28, 2001,
The 14th amendment was made on June 27, 2002,
The 15th amendment was made on June 27, 2003,
The 16th amendment was made on April 27, 2004,
The 17th amendment was made on June 11, 2007,
The 18th amendment was made on June 13, 2008,
The 19th amendment was made on June 19, 2009,
The 20th amendment was made on June 23, 2010,
The 21st amendment was made on June 24, 2011,
The 22nd amendment was made on June 21, 2012,
The 23rd amendment was made on June 26, 2014,
The 24th amendment was made on June 24, 2015,
The 25th amendment was made on October 5, 2015,
The 26th amendment was made on June 15, 2018,
The 27th amendment was made on May 13, 2020.

Appendix III

Directors' Shareholding of Etron Technology, Inc.

		April 29, 2023
Position	Name	Shareholding
Chairman	Nicky Lu	13,603,865
Directors	Chiu Chiang Investment Co., Ltd. (Represented by: Shyh-Yi, Chen)	771,691
Directors	Elvis Deng	1,141,736
Directors	Kai Chun Investment Corp. (Represented by: Mei-Ling, Hsu)	6,624
Directors	Kai Chun Investment Corp. (Represented by: Bor-Doou Rong)	
Independent Director	Ai-Chen, Wang	0
Independent Director	Jen-Hung, Tseng	0
Independent Director	Yun-Chieh, Huang	0
Independent Director	Wilson Wang	0
Total		15,523,916

Note: All Directors of the Company shall legally hold 12,000,000 shares, and they held 15,523,916 shares as of April 29, 2023, which has met the statutory requirement. The Company has established an Audit Committee. No Supervisor is legally required to hold shares.

Appendix IV

Impact of Stock Dividend Issuance on Business Performance, EPS, and ROI

Pursuant to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company is not required to disclose its financial forecasts, so it is not applicable.