



**INPAQ TECHNOLOGY CO., LTD.**

**2023 Annual Shareholders' Meeting**

**Agenda Handbooks**  
**(Translation)**

**Time : 9:00 a.m. on Friday, Jun. 16, 2023**

**Location : No.11, Ke-Yi St., Chunan, Miaoli 35059, Taiwan.**  
**(INPAQ's Headquarters)**

This document is prepared in accordance with the Chinese version and is for reference only.  
In the event of any discrepancy between the Chinese version and this content, the Chinese version shall prevail.

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# **I. Meeting Procedure**

**1. Call Meeting to Order**

**2. Chairperson Remarks**

**3. Report Items**

**4. Proposed Resolutions Items**

**5. Discussion Items (1)**

**6. Elections**

**7. Discussion Items (2)**

**8. Extempore Motions**

**9. Adjournment**

## **II. Agenda of Annual Meeting of Shareholders**

Meeting Format: Physical meeting

Time: June 16, 2023 (Friday) 9:00 am

Place: No. 11, Keyi St., Zhunan Township, Miaoli County

**I. Call the Meeting to Order:** Master of ceremonies reports the attending shareholding

**II. Chairperson Remarks**

**III. Meeting Content:**

(1) Report Items:

1. To report the business of 2022
2. 2022 Audit Committee's review report
3. 2022 Major transaction matters, including overseas and Mainland China investments, endorsements and guarantees, lending of funds to others, and the execution of derivative products
4. To report 2022 employees' profit sharing and directors' compensation
5. To report the implementation of shares buyback
6. Other Matters

(2) Proposed Resolutions Items:

1. To accept 2022 Business Report and Financial Statements
2. To approve the proposal for distribution of 2022 earnings

(3) Discussion Items (1):

Amendment of part of the Articles of Incorporation

(4) Elections:

To elect seven Directors (including three Independent Directors)

(5) Discussion Items (2):

Proposal of release the prohibition on directors from participation in competitive business

(6) Extempore Motions

**IV. Adjournment**

## (1) Report Items:

### 1. 2022 Business Reports

Explanation: The 2022 Business Report is attached as pp. 6-9, Attachment 1

### 2. Audit Committee's Review Report on the 2022 Financial Statements

Explanation: The 2022 Audit Committee's Review Report is attached as pp. 10, Attachment 2

### 3. 2022 Major transaction matters, including overseas and Mainland China investments, endorsements and guarantees, lending of funds to others, and the execution of derivative products

Explanation: 2022 major transaction matters, including overseas and Mainland China investments, endorsements and guarantees, lending of funds to others, and the execution of derivative products is attached as pp. 11-15, Attachment 3

### 4. 2022 Distribution of Employee Compensation and Director Remuneration Report

Explanation:

(1) in accordance with Article 27 of the Articles of Incorporation.

(2) The distribution amounts for the 2022 employee and director remuneration of the company have been approved by the 21st meeting of the 9th board of directors, with distribution amounts of NTD 37,004,455 and NTD 14,801,782 respectively, all shall be distributed in cash.

### 5. Implementation of Shares Buyback

Explanation: The Company completed a share repurchase program:

Buyback batch orders	9 <sup>th</sup>	10 <sup>th</sup>
Purpose of the buyback	Transferring shares to employees	Transferring shares to employees
Buyback period	From March 30, 2020 to May 29, 2020	From August 4, 2020 to Oct 3, 2020
The range of buyback price per share	Average buyback price per share NTD 22.21	Average buyback price per share NTD 35.33
Class and number of shares bought back	300,000 common shares	1,000,000 common shares
Value of shares bought back	NTD 6,662,112	NTD 35,333,246
Shares bought back to shares to be bought back ratio (%)	60%	100%
Shares sold / transferred	300,000 shares	1,000,000 shares
Accumulated number of company shares held	0 share	0 share
Percentage of total company shares held (%)	0 %	0 %

### 6. Other Matters

## **(2) Proposed Resolutions Items:**

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

Subject: Adoption of the 2022 Business Report and Financial Statements

Explanation: 2022 Financial Statements were audited by independent auditors, Hai-Ning Huang, Wan-Yuan You of KPMG. Also Business Report and Financial Statements have been approved by the Board and examined by the audit committees. The Business Report and Financial Statements are attached as pp. 6-9 and pp. 25-42, Attachment 1 and 7.

Resolution:

### **Proposal 2 (Proposed by the Board)**

Subject: Adoption of the Proposal of Distribution of 2022 Profits

Explanation:

1. The Company's 2022 profit distribution table has been reviewed by the audit committee, and a written review report is on file. Please refer to Attachment 4 (pp.16) of this manual for the profit distribution table.
2. The cash dividend for shareholders is resolved to distribute a profit of NTD 238,306,580, with approximately NTD 1.7 per share. If the Company subsequently executes share buybacks, transfers, or cancels treasury shares, resulting in changes to the number of outstanding shares and causing the dividend payout ratio to change, the chairperson is authorized to make adjustments.
3. The cash dividend is calculated to the nearest dollar, with any amounts less than one dollar being rounded down. The total sum of fractional amounts will be adjusted according to the order of the largest to smallest decimal digits and the account numbers from front to back to match the total cash dividend distribution.
4. The chairperson is authorized to determine the record date for dividend distribution, payment date, and other related matters after the shareholders' general meeting resolution for the aforementioned dividend distribution.

Resolution:

### **(3) Discussion Items (1):**

Subject: Amendment to part of the Articles of Incorporation. Please proceed to discuss.  
(Proposed by the Board)

Explanation:

- (1) In response to the rapid changes in the global economy and to increase the adaptability of our business strategy, we have revised Articles 3, 4-1, and 17 of the company's Articles of Incorporation.
- (2) The Comparison Table of Articles Before and After Amendment to the Articles of Incorporation is attached as pp. 17, Attachment 5

Resolution:

### **(4) Elections**

Subject: The 10<sup>th</sup> term director election (Proposed by the Board)

Explanation:

- (1) The current term of directors will expire on June 14, 2023. In conjunction with the convening of the shareholders' general meeting, it is proposed to conduct the re-election in accordance with the law at this shareholders' general meeting. The term of the incumbent directors will end upon the completion of this shareholders' general meeting.
- (2) In accordance with the provisions of the Company's Articles of Incorporation, a total of 7 directors will be elected this time (including 3 independent directors). The newly elected directors will take office immediately after the election, with a term of three years, from June 16, 2023, to June 15, 2026.
- (3) The Company's directors are elected through a candidate nomination system. The list of director (including independent director) candidates nominated by the board of directors has been provided. Please refer to Attachment 6 (pp. 18-24).

Election Results:

### **(5) Discussion Items (2):**

Subject: Proposal of release the prohibition on directors from participation in competitive business. (Proposed by the Board)

Explanation:

In accordance with Article 209 of the Company Act: A director who engages in activities within the Company's scope of business for themselves or others shall explain the significant content of their actions to the shareholders' meeting and obtain its permission. It is proposed to ask the shareholders' meeting, to agree that the actions of the newly elected directors for the 10<sup>th</sup> term and their representatives do not harm the company's interests and are not subject to the restrictions of Article 209 of the Company Act. Any additional information or clarification regarding the scope and content of these acts shall be provided on the spot before the discussion of this proposal at the shareholders' general meeting.

Resolution:

### **(6) Extempore Motions**

### **(7) Adjournment**

## INPAQ TECHNOLOGY CO., LTD. BUSINESS REPORT

2022 was a year full of challenges and opportunities for Inpaq Technology. The Russian-Ukrainian conflict drove up international raw material and energy prices, causing inflation and interest rate pressure. Supply chains were also affected by shortages and port congestion, which had a negative impact on global economies and customer demand. As a result, businesses have become more cautious about their future economic prospects.

As the COVID-19 pandemic subsided, the global economy began to recover gradually. Inpaq Technology capitalized on the next wave of economic growth opportunities and meet customer demand for rapid expansion. By constructing the second and third phases of their plant in Chunan, Miaoli, they fully utilized their team spirit and adaptability to adjust their business strategy. They proactively laid the groundwork for future expansion. The second plant was officially opened in the fourth quarter of 2022, and the third plant, which will serve as the company's operational headquarters and technology research and development center, is scheduled to open in the second quarter of 2023. This demonstrates Inpaq Technology's proactive strategy to establish a strong presence in Miaoli, invest in Taiwan, and expand into the international market in order to respond to the rapidly changing global economy.

Inpaq Technology is a professional electronic component manufacturer with four main product lines: antennas, high-frequency inductors, power inductors, and protection components. Among them, the company is the main supplier for GPS positioning ceramic antennas in the world. With the trend of global electronic industries towards 5G, the Internet of Things, smart homes, industrial automation, and automotive electronics, Inpaq Technology actively expanded into the automotive electronics, high-end 5G communication, and smartphone markets. Below is the company's annual report for 2022:

### A. 2022 Business Report

#### 1. Implementation results of the business plan

The implementation results of the parent company's business plan for 2022 are as follows

Unit: NT\$ thousands

Item	2022	2021	Growth
Net operating revenue	3,354,478	3,200,113	5%
Realized gross profit	644,332	776,756	-17%
Operating expenses	518,364	490,740	6%
Net operating income	125,968	286,016	-56%
Total non operating income and expenses	540,112	336,769	60%
Profit before income tax	666,080	622,785	7%

The implementation results of the consolidated business plan for the group in 2022 are as follows

Unit: NT\$ thousands

Item	2022	2021	Growth
Net consolidated operating revenue	6,287,071	6,756,544	-7%
Consolidated realized gross profit	1,553,345	1,684,968	-8%
Consolidated operating expenses	1,039,643	1,014,271	3%
Consolidated net operating profit	513,702	670,697	-24%
Consolidated net non-operating income and expenses	203,799	2,415	8339%
Consolidated profit before income tax	717,501	673,112	7%

2. Budget implementation: Not applicable.

3. Parent company's financial revenue and expenditure and analysis of profitability:

Item	2022	2021
Liabilities to Assets Ratio (%)	39.63	33.88
Long-term funds to fixed assets ratio (%)	347.61	378.07
Return on assets (%)	6.58	7.45
Return on shareholders' equity (%)	10.44	10.18
Net profit ratio (%)	17.62	17.48
Earnings per share (NT\$)	4.22	4.04

4. Research and Development Status:

Material development, component design, and process integration are the company's core technologies. The company focuses on researching and developing key components such as system protection components, high-frequency antennas, power inductors, and RF components based on customer applications and future component development directions. The company is dedicated to developing new technologies and patents, and it has grown to become a world-class leader in the field of protective components and antenna modules. Thick film printing technology, material layer stacking technology, ceramic iron powder integrated molding technology, thin film fine circuit, low-temperature co-fired ceramic (LTCC) asymmetric forming technology, and polymer low-loss dielectric material 3D molding technology are all part of the company's established technology platform. The company's electronic components are used in a wide range of 3C electronics, communication, and automotive applications, including mobile phones, computers, LCD displays, TVs, digital cameras, WLAN, broadband network equipment, automobiles, satellite communication, digital wearables, and so on.

Research and Development Technical Focus:

- (1) Application of thin-film packaging technology
- (2) Miniaturization of high-current integrated molding/industrial high current integral power inductors

- (3) 5G high-frequency precision molding inductors
- (4) Low-temperature ceramic co-fired RF inductors, passive components, and antenna integrated packaging manufacturing technology
- (5) RFID/NFC antennas, wireless charging modules, and 3C/automotive/network communication antenna product design and manufacturing
- (6) High-frequency signal application ultra-low capacitance-surge protection components
- (7) Ka-band (26~40GHz) ultra-wideband low-earth orbit satellite antennas
- (8) Signal anti-interference transmission antennas for electric vehicle BMS (Battery Management System)
- (9) High-precision, dual-frequency, lightweight GPS ceramic antennas
- (10) Application of ultra-small CSP thin-film packaging technology
- (11) Development of ultra-high surge protection varistors components

**B. Summary of the Business Plan for 2023, Future Company Development Strategy, and Future Impact from External Competitive, Regulatory, and Macroeconomic Environments**

Development Strategy, and Future Impact from External Competitive, Regulatory, and Macroeconomic Environments 5G, Internet of Things (IoT), smart homes, industrial automation, and automotive electronics are among the projects being developed in the global electronics industry. These market trends have been the focus and direction of our long-term strategy. We will continue to focus on selecting the right products, maintaining high product quality, and improving organizational effectiveness in the future. In 2023, we will continue to strengthen the following plans:

- (1) Focus on Featured Products to Increase Competitiveness:  
Continue to improve product design, materials, and processes to increase competitiveness, strengthen the core value of advantageous products, and convert them into high-margin revenue.
- (2) Continuously Adjust Company Structure:
  - (a) Proactively cultivate and recruit exceptional talent, and enhance education and training.
  - (b) Integrate multiple departments and external resources, and manage professionally.
  - (c) Actively control costs and strengthen management capabilities.
  - (d) Increase automation and enhance labor productivity.
  - (e) Strengthen the application of "KPI performance management system" to improve the company's core competitiveness and ensure steady operation.
- (3) Enter New Market Applications:
  - (a) Continuously develop corresponding products and technologies for new market applications such as IoT (vehicles), mobile payments, smart wearable devices, wireless charging and automotive electronics, and 5G communication products.
  - (b) Enhance the ODM Model of Main Customers and Establish Strategic Alliance Relationships with Well-known Companies.
  - (c) In response to the rise of new industries such as electric vehicles and wind power generation, we will focus on the development and production of magnetic elements such as power, motors, and signals.

(4) Build an Internationally Renowned Brand:

- (a) Recruit and train international talents of various languages.
- (b) Strengthen product network promotion.
- (c) Establish overseas branches and professional FAE technical service teams.
- (d) Continuously cooperate with major IC manufacturers and enter IC reference circuit design.

**Outlook:**

The company's management team will adopt the following principles of management as the direction for sustainable development:

Cultivate outstanding talent with courtesy, create a good and honest working environment, continuously develop excellent technologies, improve product quality and cost competitiveness to meet customer needs, obtain reasonable returns, and create shareholder benefits. At the same time, the company will continue to improve the working environment and employee benefits, thereby attracting talented individuals. Looking to the future, the COVID-19 situation, international political and economic conditions, and inflation are all significant variables affecting the economy. Inpaq Technology will fully leverage the team spirit and adaptability to adjust its management strategy, establish deep cooperative partnerships with customers, and grasp industry trends to continue growing. While pursuing corporate profit and growth, the company will also continuously enhance corporate governance to safeguard shareholder interests, develop green products to reduce negative environmental impacts, care for employees' physical and mental health and safety, and participate in ESG-related public welfare activities to achieve the goal of sustainable business operations.

Finally, thank you to all of our customers, suppliers, shareholders, and the public for their long-term support and trust in Inpaq Technology, as well as to all of our employees for their wholehearted dedication to the company's operations. Let us continue to work together to create greater value.

Wishing everyone good health and all the best!

**Chairperson: Pei-Cheng Chen**  
**General Manager: Ming-Tsan Tseng**  
**Accounting Manager: Kuo-Shu Huang**

**INPAQ TECHNOLOGY CO., LTD.**  
**Audit Committee's Review Report**

The Board of Directors has submitted the business report, consolidated financial statements, parent company only financial statements, and the proposal for profit distribution, for the year ended 2022. The consolidated financial statements and parent company only financial statements have been audited by auditors Hai-Ning Huang and Wan-Yuan You of KPMG, and an independent auditor's report has been issued. The Audit Committee has found no discrepancies in the aforementioned documents submitted by the board of director and, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, a report has been prepared for your reference.

To: 2023 Shareholders' Meeting of INPAQ Technology Co., Ltd.

Audit Committee Convener: Ji-Zu Gao

May 4, 2023

## Attachment 3

### 2022 Major transaction matters, including overseas and Mainland China investments, endorsements and guarantees, lending of funds to others, and the execution of derivative products

#### (1) Significant Transaction-related Information

In accordance with the compilation standards, the significant transaction-related information that should be disclosed by the consolidated company is as follows:

##### 1. Lending of funds to others:

No.	Lending Company	Lending Recipient	Accounting Item	Related Party	Highest Amount in period	Ending Balance	Actual Amount Disbursed	Interest Rate Range	Nature of Funds Lent (Note 2)	Business Transaction Amount	Reason for the necessity of short-term financing	Amount of allowance for losses provided	Collateral Name	Value	Lending limit to individual recipients (Note 1)	Total lending limit (Note 1)
0	This Company	Inpaq China	Accounts receivable from related parties	Yes	180,000	-	-		2	-	Operating Turnover	-	N/A	-	1,455,138	2,328,221
0	This Company	Inpaq Shuzhou	Accounts receivable from related parties	Yes	180,000	-	-		2	-	Operating Turnover	-	N/A	-	1,455,138	2,328,221
0	This Company	Taiwan Inpaq Electronic Co., Ltd.	Accounts receivable from related parties	Yes	750,000	750,000	668,000	2.366%	2	-	Operating Turnover	-	N/A	-	1,455,138	2,328,221
0	This Company	Inpaq USA	Accounts receivable from related parties	Yes	16,105	15,355	15,355	0.128%	2	-	Operating Turnover	-	N/A	-	1,455,138	2,328,221

Note1: 1. According to the operating procedures for lending funds to others of the Company, the total lending amount of the Company is limited to not more than 40% of the company's net worth. For companies or banks that require short-term financing:

- (1) For companies in which the company holds more than 50% of the shares, the limit is 25% of the company's net worth.
- (2) For other companies or banks that have been approved by the Company's board of directors for lending, the limit is 10% of the Company's net worth.

2. When providing funds for lending to foreign companies in which the Company directly or indirectly holds 100% of the voting rights, the total lending amount shall not exceed 40% of the net worth of the lending company, and the individual lending amount to each company shall not exceed 40% of the net worth of the lending company.

Note 2: 1. Those with business transactions.

2. Those who require short-term financing.

##### 2. Endorsement and guarantee for others:

No.	Company name of the endorser/guarantor	Endorsee/guaranteed party	Endorsement and guarantee limit to a single enterprise (Note 1)	Highest endorsement and guarantee balance in this period	Endorsement and guarantee balance at the end of the period	Actual amount disbursed	Amount of endorsement and guarantee secured by property	Ratio of cumulative endorsement and guarantee amount to the latest financial statements net worth	Maximum endorsement and guarantee limit (Note 2)	Endorsement and guarantee by the parent company for its subsidiaries	Endorsement and guarantee by subsidiaries for the parent company	Endorsement and guarantee for entities in Mainland China
0	This Company	Inpaq China	Subsidiaries of this company	1,164,110	526,395	230,325	-	3.96%	2,328,221	Y	N	Y
0	This Company	Inpaq Suzhou	Subsidiaries of this company	1,164,110	322,100	307,100	-	5.28%	2,328,221	Y	N	Y
0	This Company	Taiwan Inpaq Electronic Co., Ltd.	Subsidiaries of this company	1,164,110	1,545,750 (Note3)	737,040	-	12.66%	2,328,221	Y	N	N
0	This Company	Hunan Hongdian	Subsidiaries of this company	1,164,110	193,260	184,260	-	3.17%	2,328,221	Y	N	Y

Note 1: The endorsement and guarantee amount to a single enterprise is limited to 20% of the net worth of Inpaq Technology Ltd., Co.

Note 2: The total amount of endorsement and guarantee provided by Inpaq Technology Co., Ltd. to external parties is limited to 40% of its net worth.

Note 3: This is mainly due to the fact that the board of directors approved a renewal of the endorsement and guarantee contract before its expiration, which resulted in the endorsement and guarantee balance exceeding the limit

due to the additional renewal amount.

3. Marketable securities at the end of the period (excluding investments in subsidiaries, affiliated enterprises, and joint ventures) is as follows:

Holding Companies	Securities Types and Names	Relationship with the Issuer of the Securities	Accounting Items	End of the Period				Period-End Highest Percentage of Shareholding
				Shares	Carrying Amount	Shareholding Percentage	Fair Value	
This Company	APAQ Technology Co., Ltd. Stocks	This company is the legal director of the company	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	4,776,329	198,934	5.37 %	198,934	5.37%
This Company	Phoenix Innovation Venture Capital Co., Ltd Stocks	This company is the legal director of the company	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	3,000,000	26,160	9.38 %	26,160	9.38%
This Company	Pan Win Biotechnology Inc. Stocks	N/A	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	100,000	-	5.00 %	-	5.00%
This Company	AICP Technology Corporation Stocks	N/A	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	600,000	6,276	8.00 %	6,276	8.00%
This Company	Apple Inc. USD Corporate Bonds	N/A	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	27,500	75,139	- %	75,139	- %
This Company	Amazon.com USD Corporate Bond	N/A	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	15,000	39,763	- %	39,763	- %
This Company	Microsoft Corporation USD Corporate Bonds	N/A	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	7,500	20,831	- %	20,831	- %
This Company	Saudi Aramco Dollar Corporate Bonds	N/A	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	15,000	42,053	- %	42,053	- %
Inpaq (BVI)	Bank of America USD Corporate Bonds	N/A	Financial assets measured at fair value through other comprehensive income (FVOCI) - non-current.	15,000	45,158	- %	45,158	- %

4. Accumulated purchase or sale amount of the same security reaches NT\$300 million or 20% of the paid-in capital:

Buy/Sell Companies	Securities Types and Names	Accounting Items	Trading Partners	Relationships	Beginning of the Period		Buy		Sell				End of the Period	
					Shares	Amount	Shares	Amount	Shares	Price	Book Costs	Gain or Loss on Disposal	Shares	Amount
This company	Joyin	Investment using equity method	Prosperity Dielectrics Co., Ltd.	Related parties	14,847	277,229	2,672	40,076	17,519	317,092	305,334	16,419 (Note1, 2)	-	-

Note 1: The gain or loss on disposal is the disposal proceeds minus the carrying amount and other equity items.

Note 2: The gain is recognized as capital reserve in accordance with the treatment of doubts about the accounting treatment for business combinations under joint control.

5. Acquisition of real estate amounting to NT\$300 million or 20% of the paid-in capital or more:

Unit: NT\$ thousands

Companies that acquired real estates	Property Name	Date of Occurrence	Deal Amount	Payment Status of the Purchase Price	Counterparty	Relationship	If the transaction counterparty is a related party, the data of the previous transfer shall be disclosed.				Reference Basis for Price Determination	Purpose of Acquisition and Usage Situation	Other Agreed Matters
							Owners	Relationship with the Issuer	Transfer Date	Amount			
This Company	Zhunan Second Plant New Construction Project	August 21, 2020	475,000	427,500	Engtown Construction Corporation	Non-related	N/A	N/A	N/A	-	Bidding Method	Operation Needs	N/A

6. The amount of proceeds from the disposal of real estate less than NTD 300 million or less than 20% of the paid-in capital: None

7. The total amount of purchase or sale transactions with related parties exceeds NTD 100 million or 20% of the paid-in capital:

Company Providing Goods	Counterparty Names	Relationship	Trade Status				Conditions of transactions that are different from those of normal transactions, and the reasons		Accounts Receivable (Payable) and Notes Receivable (Payable)		Notes
			Buying (Selling) Goods	Amount	Purchasing (or sales) amount ratio	Credit Period	Unit Price	Credit Period	Balance	Accounts Receivable (Payable) and Notes Receivable (Payable) to Total Ratio	
Inpaq Suzhou	Suzhou Walsin Technology Electronics Co., Ltd.	Subsidiary of Walsin Technology Electronics Co., Ltd.	Selling	(155,360)	(2) %	Net 60 Days	-	Note	64,851	3%	
Inpaq Suzhou	Dongguan Walsin Technology Electronics Co., Ltd.	Subsidiary of Walsin Technology Electronics Co., Ltd.	Selling	(138,234)	(2) %	Net 60 Days	-	Note	8,688	-%	
Inpaq Suzhou	Hong Kong Walsin Technology Electronics Co., Ltd.	Subsidiary of Walsin Technology Electronics Co., Ltd.	Selling	(105,681)	(2) %	Net 60 Days	-	Note	37,776	2%	
Inpaq Suzhou	Inpaq Trading	Subsidiaries Indirectly Held by the Company	Selling	(183,782)	(3) %	Net 60 Days	-	Note	53,613	3%	
Inpaq Suzhou	This Company	Parent Company	Selling	(508,719)	(8) %	Net 60 Days	-	Note	61,299	3%	
Inpaq Suzhou	Taiwan Inpaq	Subsidiaries Indirectly Held by the Company	Selling	(166,374)	(3) %	Net 60 Days	-	Note	48,368	2%	
Hunan Hongdian This Company	This Company	Parent Company	Selling	(339,445)	(5) %	Net 60 Days	-	Note	91,686	4%	
Inpaq China	Inpaq China	Subsidiaries Indirectly Held by the Company	Selling	(471,184)	(7) %	Net 60 Days	-	Note	205,908	10%	
Inpaq China	Inpaq Suzhou	Subsidiaries Indirectly Held by the Company	Selling	(308,029)	(5) %	Net 60 Days	-	Note	98,601	5%	
Inpaq China	This Company	Parent Company	Selling	(349,385)	(6) %	Net 60 Days	-	Note	111,426	5%	

Note: The selling prices and payment terms with related parties are not significantly different from those with other vendors.

8. Accounts receivable from related parties exceed NTD 100 million or 20% of the paid-in capital:

Companies recording Accounts Receivable	Counterparty Names	Relationship	Balance of Accounts Receivable from Related Parties	Turnover Rate	Overdue Accounts Receivable from Related Parties		Amount of Accounts Receivable from Related Parties Collected After the Due Date (note)	Provision for Reserve of Loss Amount
					Amount	Disposition Method		
This Company	Inpaq China	Subsidiary	205,908	3.63%	-	N/A	40,121	-
Inpaq China	This Company	Parent Company	111,426	4.02%	-	N/A	75,500	-

Note: This is the amount collected as of January 31st, 2023.

9. Involvement in Trading of Derivative Products: None

# 10. Business relationships and significant transactions between parent and subsidiary companies.

Note	Names	Counterparties	Relationship	Transaction Status			
				Accounting Item	Amount (Note)	Transaction Terms	Total Consolidated Revenue or Total Assets Ratio
0	This Company	Inpaq China	Parent Company to Subsidiary Company	Accounts Receivable	205,908	Net 60 Days	2%
0	This Company	Inpaq China	Parent Company to Subsidiary Company	Selling of Goods	471,184	Net 60 Days	7%
0	This Company	Inpaq Suzhou	Parent Company to Subsidiary Company	Selling of Goods	69,741	Net 60 Days	1%
1	Inpaq Suzhou	This Company	Subsidiary Company to Parent Company	Selling of Goods	508,719	Net 60 Days	8%
1	Inpaq Suzhou	Inpaq Trading	Subsidiary Company to Subsidiary Company	Selling of Goods	183,782	Net 60 Days	3%
1	Inpaq Suzhou	Inpaq Taiwan	Subsidiary Company to Subsidiary Company	Selling of Goods	166,374	Net 60 Days	3%
2	Inpaq China	Inpaq Suzhou	Subsidiary Company to Subsidiary Company	Selling of Goods	308,029	Net 60 Days	5%
2	Inpaq China	This Company	Subsidiary Company to Parent Company	Selling of Goods	349,385	Net 60 Days	6%
2	Inpaq China	This Company	Subsidiary Company to Parent Company	Accounts Receivable	111,426	Net 60 Days	1%
3	Hunan Hongdian	This Company	Subsidiary Company to Parent Company	Selling of Goods	339,445	Net 60 Days	5%

Note: Only those transactions and year-end balances exceeding 1% of the total consolidated revenue or total assets have been disclosed, and the relevant transactions and year-end balances have been eliminated in the consolidated financial statements.

## (2) Information on equity investments:

The information on equity investments by the merged company in 2022 (excluding investments in Mainland China) is as follows:

(In Shares)

Investing Companies	Invested Companies	Location	Main Business Activities	Initial Investment Amount		End-of-period Holdings			Maximum Shareholding Percentage during the Period	Current Period Profit (Loss) of the Invested Company	Current Period Recognized Investment Profit (Losses)	Notes (Note)
				End of the Current Period	End of Last Year	Share	Ratio	Carrying Amount				
This Company	Inpaq BVI	BVI	Holding Company	1,258,296	1,216,521	39,908,842	100.00%	3,090,263	100.00%	383,166	379,169	Subsidiary
This Company	Joyin	Taiwan	Selling of Goods	-	276,383	-	-%	-	22.84%	(45,331)	(14,998)	Note 2
This Company	Inpaq Korea	South Korea	Selling of Goods	12,864	12,864	76,828	44.77%	7,797	44.77%	(4,696)	(1,982)	Affiliate Company
This Company	Inpaq USA	U.S.A	Selling of Goods	15,315	15,315	5,000,000	100.00%	204	100.00%	(8,623)	(8,623)	Subsidiary
This Company	Inpaq Europe GmbH	Germany	Selling of Goods	1,273	1,273	38,000	19.00%	1,822	19.00%	789	150	Affiliate Company
This Company	Canfield	Samoa	Selling of Goods	14,823	14,823	600,000	100.00%	28,768	100.00%	(2,857)	(2,857)	Subsidiary
This Company	Yangtze Energy Technologies, Inc.	Taiwan	Manufacturing and sales of electronic products	7,000	7,000	311,097	19.89%	2,197	19.89%	(614)	(186)	Affiliate Company
This Company	Eleceram Technology Co., Ltd.	Taiwan	Production and sales of electronic components	209,946	-	8,747,750	72.90%	209,004	- %	2,771	(942)	Subsidiary
Inpaq BVI	Inpaq Cayman	Cayman Islands	Holding Company	1,002,550	960,775	32,150,000	100.00%	2,527,775	100.00%	378,544	378,544	Subsidiary
Inpaq BVI	Inpaq Hong Kong	Hong Kong	Holding Company	277,988	277,988	66,857,629	100.00%	2,640	100.00%	(167)	(167)	Subsidiary
Inpaq Suzhou	Inpaq Electronic Hong Kong	Hong Kong	Holding Company	122,240	122,240	4,000,000	100.00%	(241,381)	100.00%	(98,228)	(98,228)	Subsidiary
Inpaq Electronic Hong Kong	Inpaq Taiwan	Taiwan	Manufacturing and sales of electronic products	122,240	122,240	-	100.00%	(241,381)	100.00%	(98,228)	(98,228)	Subsidiary

Note 1: Related transactions and year-end balances have been eliminated in the consolidated financial statements.

Note 2: The related transaction has been sold to Prosperity Dielectrics Co., Ltd. on July 1, 2022. For details, please refer to Appendices 6(6)

(3) Investment Information in Mainland China:

1. Information on the businesses invested in by the company through its subsidiaries in Mainland China:

Invested Companies in Mainland China	Main Business Activities	Paid-in Capital	Investment Method	Cumulative Investment Amount Transferred from Taiwan at the Beginning of the Current Period	Amount of Investment Transferred Out or Repatriated During the Current Period		Cumulative Amount Transferred from Taiwan at the End of the Current Period	Profit (Loss) of the Investee for the Current Period	Percentage of Direct or Indirect Ownership in the Invested Companies by the Company.	Maximum Shareholding Percentage during the Period	Current Period Profit (Loss) of the Invested Company (Note 2 and 6)	End-of-period Carrying Among of Investments	Investment Income Repatriated as of the end of the Current Period
					Transfer Out	Repatriate							
Inpaq Suzhou	Manufacture and sale of electronic components and related products	360,643	Note 1	360,643	-	-	360,643	386,458	100.00%	100.00%	386,458	1,601,999	361,325
Inpaq Trading	Sales of electronic components	23,179	Note 1	23,179	-	-	23,179	(34)	100.00%	100.00%	(34)	113	-
Inpaq China	Manufacture and sale of electronic components and related products	894,480	Note 1	852,705	41,775	-	894,480	(6,707)	100.00%	100.00%	(6,707)	900,990	-
Inpaq (BVI) Ltd.	Sales of electronic components	9,463	Note 4	-	-	-	-	5,835	100.00%	100.00%	5,835	29,504	-
Hunan Hongdian	Production and sales of transformers, coils, and magnetic components	456,560	Note 4	-	-	-	-	(4,927)	100.00%	100.00%	(4,927)	340,683	-

2. limitation on investment in Mainland China:

Cumulative amount of investment funds transferred from Taiwan to Mainland China for the current period as of the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (Note 5)	In accordance with the investment limit for investment in Mainland China as stipulated by the Investment Commission of the Ministry of Economic Affairs (Note 3)
1,278,302	916,977	3,492,331

Note 1: Indirect investment in Mainland China companies through investment in third-party companies.

Note 2: Recognized according to the financial statements audited by the certified public accountants during the same period.

Note 3: The accumulated investment amount of the Company in Mainland China does not exceed the investment limit or proportion set by the competent authority according to the "Principles for Reviewing Investment or Technical Cooperation in Mainland China".

Note 4: Invested by Inpaq Suzhou with its own funds and therefore not included in the investment limit calculation.

Note 5: The amount approved by the Investment Commission of the Ministry of Economic Affairs refers to the cash dividends of 361,325 thousand NTD remitted by Inpaq Suzhou in 2020, which were reviewed and filed by the Investment Commission under the letter No. 10900410860 on January 22, 2021.

Note 6: Relevant transactions and year-end balances have been eliminated in the consolidated financial statements.

3. Significant Transaction:

During the fiscal year 2022, there were significant transactions between the Company and its directly or indirectly invested companies in China. Please refer to the "Related Information on Significant Transactions" for details.


INPAQ TECHNOLOGY CO., LTD.

## 2022 Profit Distribution Table

(Unit: NTD)

Items	Amount	Note
Beginning Undistributed Retained Earnings (IFRS)	880,423,284	
Add: 2022 net profit after tax	590,929,187	
Add: Defined benefit plan remeasurement amount	5,413,987	
Add: Gains on disposal of equity instruments measured at fair value through other comprehensive income	865,085	
Less: Disposal of investments accounted for using equity method	(115,710)	
Distributable Net Profit	1,477,515,833	
Less: Legal reserve	(59,709,255)	
Less: Special reserve	(127,315,915)	
Distributable items:		
Dividend to shareholders (Cash)	(238,306,580)	1.7 NTD / per share
Ending Unappropriated Retained Earnings	1,052,184,083	
Notes: As of May 4th, 2023, the total number of issued and outstanding are 140,180,341 shares  Chairperson: Pei-Cheng Chen General Manager: Ming-Tsan Tseng Accounting Manager: Kuo-Shu Huang		

# INPAQ TECHNOLOGY CO., LTD.

## Comparison Table of Articles Before and After Amendment to the Articles of Incorporation

Articles	Original Clause	Proposed Revised Clause	Amendment basis and reasons
Article 3	The Company shall have its head office in Miaoli County, and may, pursuant to a resolution approved by the competent authorities, set up branch offices within or outside the territory of the Republic of China when deemed necessary.	The Company shall have its head office in Miaoli County, and may, pursuant to a resolution adopted at the meeting of the Board of Directors and approved by the competent authorities, set up branch offices within or outside the territory of the Republic of China when deemed necessary.	In response to the rapid changes in the global economy, the company aims to increase its ability to adapt to business strategies.
Article 4-1	<u>The total amount of the Company's investment in its subsidiaries is not subject to the limit of 40% of its paid-in capital.</u>	<del>The Company's external investments are made in accordance with the resolutions of the Board of Directors, and the total amount of investment may exceed 40% of the paid-in capital.</del>	Same as Above
Article 17	<p>The Board of Directors is organized by the directors. The Board shall convene at least once every quarter and its duties are as follows:</p> <ol style="list-style-type: none"> <li>1. Supervise the execution of operational policies.</li> <li>2. Appoint or dismiss important personnel of the Company as required by laws and regulations.</li> <li>3. Draft and amend important bylaws.</li> <li>4. Convene shareholders' meetings.</li> <li>5. Approve budgets and final accounts.</li> <li>6. Select auditors for appointment.</li> <li>7. Exercise other powers and duties as prescribed by laws, regulations, and the shareholders' meetings.</li> </ol>	<p>The board of directors is organized by the directors, and board meetings should be held at least once a quarter. Its powers are as follows:</p> <ol style="list-style-type: none"> <li>1. <del>Discuss and</del> supervise the formulation and execution of the operating policies and business plans.</li> <li>2. Appoint or dismiss important personnel of the Company as required by laws and regulations.</li> <li>3. Formulation and modification of important articles of incorporation and company organization rules.</li> <li>4. <del>Establishment and abolition of branch offices.</del></li> <li>5. Convene shareholders' meetings.</li> <li>6. <del>Decision making on domestic and foreign investment cases.</del></li> <li>7. Review and approval of budgets and final accounts.</li> <li>8. Selection of certified public accountants for signing.</li> <li>9. Exercise other powers granted by laws, regulations, and shareholders' meetings.</li> </ol>	Same as Above
Article 31	<p>This charter was established by the initiator meeting and agreed upon by all initiators on June 15, 1998. It came into effect from the date of registration approval by the competent authority. ...omitted</p> <p><u>The 24th amendment was made on June 16, 2023.</u></p>	<p>This charter was established by the initiator meeting and agreed upon by all initiators on June 15, 1998. It came into effect from the date of registration approval by the competent authority. ...omitted</p>	Add revision date

**INPAQ TECHNOLOGY CO., LTD.**  
**List of candidates for directors and independent directors**

No.	Candidate type	Candidate Name	Sex	Education	Experience	Current Position	Reasons for continuing to nominate an independent director who has served consecutively for three terms	Shareholding Amount (Unit: Shares)
1	Director	Walsin Technology Corporation Representative: Pei-Cheng Chen	Femaile	George Washington University MBA	Assistant to the Chairperson's Office of Global Brands Manufacture Ltd. Legal Representative and Director of Joyin Co., Ltd.	Chief Strategy Officer of Passive System Alliance Chairperson of Inpaq Technology Co., Ltd. Director of Inpaq (BVI) Ltd. Director of Inpaq (Cayman Islands) Ltd. Director of INPAQ TECHNOLOGY USA, INC. Director of Kamaya Electric Co., Ltd. Director of Matsuo Electric Co., Ltd.	Not Applicable	47,848,650
2	Director	Walsin Technology Corporation Representative: Yu-Heng Chiao	Male	Golden Gate University MBA	Vice Chairperson of Walsin Lihwa Corporation	Chairperson and Chief Strategy Officer of Career Technology (MFG) Co., Ltd. Chairperson of Walsin Technology Corporation Chairperson of Silitech Technology Corp	Not Applicable	47,848,650

No.	Candidate type	Candidate Name	Sex	Education	Experience	Current Position	Reasons for continuing to nominate an independent director who has served consecutively for three terms	Shareholding Amount (Unit: Shares)
						Chairperson and CEO of Walton Advanced Engineering, Inc. Chairperson and CEO of HannStar Board Corp Chairperson and CEO of Global Brands Manufacture Ltd Chairperson and CEO of Prosperity Dielectrics Co., Ltd. Chairperson and CEO of Info-Tek Corp. Director of Walsin Lihwa Corp Legal Representative and Director of Inpaq Technology Co., Ltd.		
3	Director	Walsin Technology Corporation Representative: Ming-Tsan Tseng	Male	National Taiwan University, PhD in Chemical Engineering	COO (Chief Operating Officer) of Inpaq Technology Co., Ltd. Legal Representative and Director of Joyin Co., Ltd. Legal Representative and Director of APAQ Technology Co., Ltd.	General Manager of Inpaq Technology Co., Ltd. Legal Representative and Director of Inpaq Technology Co., Ltd. Chairperson of Eleceram Technology Co., Ltd. Director of Inpaq Electronics (Suzhou) Co., Ltd. Director of Inpaq Electronics (China) Co., Ltd. Director of Hunan Hongdian Electronic Co., Ltd. Representative of Inpaq Technology	Not Applicable	47,848,650

No.	Candidate type	Candidate Name	Sex	Education	Experience	Current Position	Reasons for continuing to nominate an independent director who has served consecutively for three terms	Shareholding Amount (Unit: Shares)
						(Hong Kong) Limited. Director of Inpaq Trading (Suzhou) Co., Ltd. Representative of Taiwan Inpaq Electronics Co., Ltd. Chairperson of INPAQ TECHNOLOGY USA, INC. Director of Inpaq Europe GmbH. Director of Canfield Ltd.		
4	Director	Dun-Ren Cheng	Male	National Cheng Kung University, PhD in Materials Science and Engineering	Senior Research Fellow at the Material and Chemical Research Laboratories of the Industrial Technology Research Institute (ITRI)	CEO of Inpaq Technology Co., Ltd. Director of Inpaq Technology Co., Ltd. Chairperson and Technical Director of APAQ Technology Co., Ltd. Legal Representative and Director of Phoenix Innovation Entrepreneurship Investment Co., Ltd. Legal Representative and Director of Phoenix Innovation Entrepreneurship Investment II Co., Ltd. Director of Bioptik Technology, Inc Legal Supervisor Representative of IMAT CORPORATION Director of Jin Jia Wang Financial	Not Applicable	1,496,606

No.	Candidate type	Candidate Name	Sex	Education	Experience	Current Position	Reasons for continuing to nominate an independent director who has served consecutively for three terms	Shareholding Amount (Unit: Shares)
						Management Co., Ltd. Director of Inpaq Electronics (Suzhou) Co., Ltd. Representative of APAQ Technology (Wuxi) Co., Ltd. Representative of APAQ Technology (Hubei) Co., Ltd. Director of Cheng Gong Innovation Management Consulting Co., Ltd. Legal Representative and Director of Bei Ke Zhi Xing Entrepreneurship Investment Co., Ltd. Director of Syntec Technology Co., Ltd. Legal Supervisor Representative of Leantec Intelligent Co., Ltd. Legal Representative and Director of Steadybeat Technology Co., Ltd.		
5	Independent Director	Ji-Zu Gao	Male	National Taiwan University , Bachelor of Science in Chemistry University of	Co-founder of ITEQ Corporation Chairperson of Taiwan ITRI New Venture Association Independent Director of Joyin Co., Ltd.	President of Taiwan Industrial Technology Investment Corporation Independent Director of Inpaq Technology Co., Ltd. Independent Director of FuSheng Precision Co., Ltd.	During Mr. Ji-Zu Gao's term, he actively participated in the operations of	6

No.	Candidate type	Candidate Name	Sex	Education	Experience	Current Position	Reasons for continuing to nominate an independent director who has served consecutively for three terms	Shareholding Amount (Unit: Shares)
				California, Berkeley, PhD in Chemistry		Independent Director of Ta Liang Technology Co., Ltd. Chairperson of Global Tech Venture Corporation Chairperson of AI Investment Consulting Corporation Chairperson of Taiwan BASE Tech Venture Corporation Director of Shengmao Investment Co., Ltd. Director of I-BOT TECHNOLOGY INC. Director of IMAT CORPORATION Legal Representative and Director of GRANDWAY WONICE TECHNOLOGY INC. Supervisor of ASTRON MATERIALS CORPORATION Supervisor of Demao Investment Co., Ltd.	the board of directors, had a full understanding of the company's business, and had extensive industry experience, which was of significant benefit to the company. He also leveraged his expertise to provide oversight to the board of directors and offer professional opinions.	
6	Independent Director	Teh-Fu Huang	Male	Northwestern University,	Full-time Professor at the Department of	Independent Director of Inpaq Technology Co., Ltd.	Not Applicable	0

No.	Candidate type	Candidate Name	Sex	Education	Experience	Current Position	Reasons for continuing to nominate an independent director who has served consecutively for three terms	Shareholding Amount (Unit: Shares)
				PhD in Political Science	Social and Public Affairs at Taipei City University. Full-time Professor at the Department of Political Science at National Chengchi University. Legislator of the Fifth and Sixth Legislative Yuan.			
7	Independent Director	Po-Wei Chu	Male	China Europe International Business School EMBA Feng Chia University, Master's degree in Insurance	General Manager of H&D ASSET MANAGEMENT CO., LTD. Chairperson of Longbon International Co., LTD Director of China Chun-Long Life Insurance Co., Ltd., Xiamen International Trade and Financial Center Development Co., Ltd., Taiwan Life Insurance Co., Ltd.,	Director of Hetai International Asset Management Co., Ltd. Chairperson of Wenxiang Education Foundation.	Not Applicable	0

No.	Candidate type	Candidate Name	Sex	Education	Experience	Current Position	Reasons for continuing to nominate an independent director who has served consecutively for three terms	Shareholding Amount (Unit: Shares)
					and Reiju Construction Co., Ltd.			

## **Independent Auditors' Report**

To the Board of Directors of Inpaq Technology Co., Ltd.:

### **Opinion**

We have audited the consolidated financial statements of Inpaq Technology Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021 after restatement, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021 after restatement, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing 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 Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

## **Key Audit Matters**

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

### **Valuation of Inventories**

Please refer to Note 4(8), Note 5, and Note 6(4) for accounting policies, accounting assumptions and estimation uncertainty, as well as and related disclosure information for inventory, respectively.

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

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which may lead to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as our key audit matter.

#### **How the matter was addressed in our audit:**

In relation to the key audit matter above, our key audit procedures include selecting samples to examine their net realizable values to verify the accuracy of inventory aging; evaluating the reasonableness of the Group's inventory valuation policy and the management's assumption used when measuring the allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Group's historical accuracy of judgments with reference to inventory valuation and compare them with the current year's calculation to evaluate the appropriateness of the estimation and assumption used for inventory valuation; and evaluating the adequacy of the Group's disclosure for inventories.

## **Other Matter**

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Wan-Yuan Yu.

KPMG

Taipei, Taiwan (Republic of China)  
February 23, 2023

#### **Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**Inpaq Technology Co., Ltd. and subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 1,837,820	17	1,087,882	12	2100	Short-term borrowings (note 6(14))	\$ 100,000	1	152,290	2
1150	Notes receivable (note 6(3))	166,027	2	124,064	1	2170	Notes and accounts payable	806,326	8	1,066,646	11
1170	Accounts receivable, net (note 6(3))	1,750,826	17	1,925,619	21	2180	Accounts payable to related parties (note 7)	39,808	-	80,356	1
1180	Accounts receivable due from related parties (notes 6(3) and 7)	206,184	2	220,967	2	2201	Salary and bonus payable	254,916	2	236,750	3
1210	Other receivables due from related parties, net (note 7)	2,225	-	2,463	-	2213	Payable on machinery and equipment	121,767	1	136,681	1
1310	Inventories (note 6(4))	1,027,091	10	1,114,006	12	2220	Other payables to related parties (note 7)	10,212	-	18,990	-
1476	Other financial assets—current (notes 6(1) and (5))	475,460	5	208,369	2	2280	Lease liability—current (notes 6(16) and 7))	10,250	-	26,440	-
1479	Other current assets (note 6(13))	178,586	1	145,272	2	2322	Long-term borrowings, current portion (note 6(14))	361,100	4	-	-
		5,644,219	54	4,828,642	52	2399	Other current liabilities	382,505	4	340,303	4
								2,086,884	20	2,058,456	22
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(2))	454,314	4	553,513	6	2313	Deferred revenue (notes 6(14) and (15))	31,099	-	14,921	-
1550	Investments accounted for using the equity method (note 6(6))	11,816	-	290,655	3	2540	Long-term borrowings (note 6(14))	2,260,615	21	1,457,023	16
1600	Property, plant and equipment (notes 6(9) and 7)	3,885,619	37	3,096,334	34	2570	Deferred tax liabilities (note 6(19))	223,223	2	216,636	2
1755	Right-of-use assets (note 6(10) and 7)	54,490	1	131,553	1	2580	Lease liabilities—non-current (notes 6(16) and 7)	31,390	-	92,319	1
1760	Investment property, net (note 6(11))	9,221	-	-	-	2640	Net defined benefit liability, non-current (note 6(18))	22,385	-	29,351	-
1780	Intangible assets (note 6(12))	183,260	2	188,917	2	2645	Guarantee deposits received	6,122	-	6,122	-
1840	Deferred tax assets (note 6(19))	124,981	1	127,068	1	2600	Total other non-current liabilities	8,432	-	-	-
1920	Refundable deposits (notes 7, 8 and 9)	46,935	-	28,570	-			2,583,266	23	1,816,372	19
1990	Other non-current assets (note 6(13))	125,122	1	132,094	1			4,670,150	43	3,874,828	41
		4,895,758	46	4,548,704	48						
<b>Total assets</b>		<b>\$ 10,539,977</b>	<b>100</b>	<b>9,377,346</b>	<b>100</b>		<b>Total liabilities</b>				
							<b>Equity (note 6(20)):</b>				
						3100	Ordinary share capital	1,401,803	13	1,401,803	15
						3200	Capital surplus	2,838,983	27	2,906,644	31
						3300	Retained earnings	1,827,412	18	1,314,402	14
						3400	Other equity	(246,228)	(2)	(118,913)	(1)
						3500	Treasury shares	(1,418)	-	(1,418)	-
							<b>Total equity attributable to owners of parent:</b>	5,820,552	56	5,502,518	59
						36XX	Non-controlling interests	49,275	1	-	-
							<b>Total equity</b>	5,869,827	57	5,502,518	59
							<b>Total liabilities and equity</b>	<b>\$ 10,539,977</b>	<b>100</b>	<b>9,377,346</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Inpaq Technology Co., Ltd. and subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net operating revenue</b> (notes 6(22) and 7)	\$ 6,287,071	100	6,756,544	100
5000	<b>Operating costs</b> (notes 6(4), (16), (18), (23) and 7)	4,733,726	75	5,071,576	75
5900	<b>Gross profit</b>	1,553,345	25	1,684,968	25
6000	<b>Operating expenses</b> (notes 6(16), (17), (18), (23) and 7):				
6100	Selling	364,669	6	394,755	6
6200	General and administrative	291,336	5	268,509	4
6300	Research and development	383,339	6	350,352	5
6450	Expected credit loss (note 6(3))	299	-	655	-
	<b>Total operating expenses</b>	1,039,643	17	1,014,271	15
6900	<b>Net operating income</b>	513,702	8	670,697	10
7000	<b>Non-operating income and expenses:</b>				
7100	Interest revenue (note 6(24))	31,523	1	16,646	-
7020	Other gains and losses (notes 6(2) and (24) and 7)	25,411	-	40,179	1
7050	Finance costs (notes 6(14), (24) and 7)	(26,017)	-	(11,325)	-
7060	Share of profit (loss) of associates accounted for using equity method, net (note 6(6))	(17,016)	-	6,896	-
7230	Foreign exchange gain (loss) (note 6(25))	189,898	3	(49,981)	(1)
	<b>Total non-operating income and expenses</b>	203,799	4	2,415	-
7900	<b>Profit before income tax</b>	717,501	12	673,112	10
7950	<b>Less: income tax expenses</b> (note 6(19))	126,921	2	113,583	2
	<b>Net Income</b>	590,580	10	559,529	8
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(21))	5,414	-	(25)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(112,736)	(2)	28,483	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(338)	-	(258)	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	(107,660)	(2)	28,200	-
8360	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	54,393	1	(8,177)	-
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(56,035)	(1)	(16,085)	-
	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	3,770	-	(1,251)	-
8371	Income tax related to items that may be reclassified subsequently (note 6(19))	10,960	-	(2,405)	-
8399	<b>Total items that may be reclassified subsequently to profit or loss</b>	(8,832)	-	(23,108)	-
8300	<b>Other comprehensive income</b>	(116,492)	(2)	5,092	-
	<b>Total comprehensive income</b>	<b>\$ 474,088</b>	<b>8</b>	<b>564,621</b>	<b>8</b>
	<b>Net profit attributable to:</b>				
	Owners of the Company	\$ 590,929	10	566,412	8
	Former owner of business combination under common control	-	-	(6,883)	-
	Non-controlling interests	(349)	-	-	-
	<b>Total comprehensive income attributable to:</b>	<b>\$ 590,580</b>	<b>10</b>	<b>559,529</b>	<b>8</b>
	Owners of the Company	\$ 474,437	8	570,689	8
	Former owner of business combination under common control	-	-	(6,068)	-
	Non-controlling interests	(349)	-	-	-
	<b>Earnings per share (New Taiwan Dollars) (note 6(21))</b>	<b>\$ 474,088</b>	<b>8</b>	<b>564,621</b>	<b>8</b>
9750	Basic earnings per share	<b>\$ 4.22</b>		<b>4.04</b>	
9850	Diluted earnings per share	<b>\$ 4.19</b>		<b>4.02</b>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Inpaq Technology Co., Ltd. and subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

	Total other equity interest													
	Retained earnings						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Treasury shares	Total equity attributable to owners of parent	Equity attributable to former owner of business combination under common control	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total								
Balance at January 1, 2021 (After restatement)	\$ 1,401,803	3,045,890	138,648	164,668	427,059	730,375	(119,071)	64,616	(54,455)	(1,418)	5,122,195	364,674	-	5,486,869
Net income for the period	-	-	-	-	566,412	566,412	-	-	-	-	566,412	(6,883)	-	559,529
Other comprehensive income for the period	-	-	-	-	(25)	(25)	(7,838)	12,140	4,302	-	4,277	815	-	5,092
Total comprehensive income for the period	-	-	-	-	566,387	566,387	(7,838)	12,140	4,302	-	570,689	(6,068)	-	564,621
Appropriation and distribution of retained earnings:														
Appropriation legal reserve	-	-	33,933	-	(33,933)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(110,213)	110,213	-	-	-	-	-	-	-	-	-
Due to donated assets received	-	(7)	-	-	-	-	-	-	-	-	(7)	-	-	(7)
Changes in equity of associates and joint ventures accounted for using equity method	-	148	-	-	-	-	-	-	-	-	148	-	-	148
Cash dividends from capital surplus	-	(140,135)	-	-	-	-	-	-	-	-	(140,135)	-	-	(140,135)
Adjustment to capital surplus due to non-proportional investment in associates’s increase in capital	-	748	-	-	-	-	-	-	-	-	748	-	-	748
Reorganization	-	-	-	-	13,256	13,256	(64,376)	-	(64,376)	-	(51,120)	(358,606)	-	(409,726)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,384	4,384	-	(4,384)	(4,384)	-	-	-	-	-
Balance at December 31, 2021	1,401,803	2,906,644	172,581	54,455	1,087,366	1,314,402	(191,285)	72,372	(118,913)	(1,418)	5,502,518	-	-	5,502,518
Net income for the period	-	-	-	-	590,929	590,929	-	-	-	-	590,929	-	(349)	590,580
Other comprehensive income for the period	-	-	-	-	5,414	5,414	47,203	(169,109)	(121,906)	-	(116,492)	-	-	(116,492)
Total comprehensive income	-	-	-	-	596,343	596,343	47,203	(169,109)	(121,906)	-	474,437	-	(349)	474,088
Appropriation and distribution of retained earnings:														
Appropriation legal reserve	-	-	58,402	-	(58,402)	-	-	-	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	64,458	(64,458)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(84,081)	(84,081)	-	-	-	-	(84,081)	-	-	(84,081)
Due to donated assets received	-	(2)	-	-	-	-	-	-	-	-	(2)	-	-	(2)
Cash dividends from capital surplus	-	(84,081)	-	-	-	-	-	-	-	-	(84,081)	-	-	(84,081)
Disposal of investments accounted for using equity method (note 6(6))	-	16,419	-	-	(117)	(117)	(5,141)	597	(4,544)	-	11,758	-	-	11,758
Changes in equity of associates accounted for using equity method	-	3	-	-	-	-	-	-	-	-	3	-	-	3
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	865	865	-	(865)	(865)	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	49,624	49,624
Balance at December 31, 2022	\$ 1,401,803	2,838,983	230,983	118,913	1,477,516	1,827,412	(149,223)	(97,005)	(246,228)	(1,418)	5,820,552	-	49,275	5,869,827

See accompanying notes to consolidated financial statements.

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

**Inpaq Technology Co., Ltd. and subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 717,501	673,112
Adjustments:		
Adjustments to reconcile profit:		
Depreciation	409,841	354,771
Amortization	21,729	18,989
Expected credit loss	299	655
Interest cost	26,017	11,325
Interest income	(31,523)	(16,646)
Dividend income	(18,057)	(13,218)
Share of loss (gain) of associates accounted for using the equity method	17,016	(6,896)
Loss on disposal of property, plant and equipment	8,188	1,406
Loss on disposal of intangible assets	-	5,026
Provision for inventory devaluation loss	26,855	21,785
Amortization of government grant	-	(1,006)
Others	(2,306)	(1,753)
<b>Total adjustments to reconcile profit</b>	<u>458,059</u>	<u>374,438</u>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable	(40,510)	37,607
Accounts receivable	183,938	(320,446)
Accounts receivable due from related parties	14,783	154,972
Other receivable due from related parties	238	-
Inventories	76,739	(425,397)
Other current assets	32,431	(15,580)
Notes and accounts payable	(278,184)	95,222
Accounts payable to related parties	(40,549)	21,053
Other payable to related parties	(8,777)	-
Salary and bonus payable	18,166	35,583
Other current liabilities	(43,300)	(3,659)
<b>Total adjustments</b>	<u>373,034</u>	<u>(46,207)</u>
Cash inflow generated from operations	1,090,535	626,905
Interest received	31,814	16,907
Dividends received	18,057	13,218
Interest paid	(26,463)	(12,349)
Income taxes paid	(110,893)	(88,649)
<b>Net cash flows from operating activities</b>	<u>1,003,050</u>	<u>556,032</u>

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Inpaq Technology Co., Ltd. and subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(43,607)	(46,365)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,488	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,798
Acquisition of equity-method investee	(40,076)	(276,383)
Cash dividends received from associates	-	4,454
Proceeds from disposal of investments accounted for using equity method	317,092	-
Acquisition of subsidiary	(187,784)	-
Acquisition of property, plant and equipment	(869,979)	(1,112,716)
Proceeds from disposal of property, plant and equipment	19,819	934
Equity attributable to former owner of business combination under common control	-	(409,726)
Increase in refundable deposits	(18,365)	(20,641)
Acquisition of intangible assets	(11,072)	(18,205)
Decrease (increase) in other financial assets	(260,376)	62,530
Increase in other non-current assets	(100,180)	(59,327)
<b>Net cash flows used in investing activities</b>	<u>(1,192,040)</u>	<u>(1,869,647)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans borrowings	1,188,315	3,158,203
Repayment of short-term borrowings	(1,241,802)	(3,006,000)
Increase in long-term borrowings	1,180,870	974,950
Repayment of long-term borrowings	-	(10,000)
Increase in guarantee deposits received	-	5,859
Payment of lease liabilities	(27,359)	(22,952)
Cash dividends paid	(168,162)	(140,135)
<b>Net cash flows from financing activities</b>	<u>931,862</u>	<u>959,925</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>7,066</u>	<u>(1,448)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>749,938</u>	<u>(355,138)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,087,882</u>	<u>1,443,020</u>
<b>Cash and cash equivalents at end of period</b>	<u><b>\$ 1,837,820</b></u>	<u><b>1,087,882</b></u>

See accompanying notes to consolidated financial statements.

## **Independent Auditors' Report**

To the Board of Directors of Inpaq Technology Co., Ltd.:

### **Opinion**

We have audited the parent-company-only financial statements of Inpaq Technology Co., Ltd. ("the Company"), which comprise the parent-company-only balance sheets as of December 31, 2022 and 2021 after restatement, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the parent-company-only financial position of the Company as of 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

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

## Valuation of Inventories

Please refer to Note 4(7), Note 5, and Note 6(4) for accounting policies, accounting assumptions and estimation uncertainty, as well as and related disclosure information for inventory, respectively.

### Description of key audit matter:

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which may lead to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as our key audit matter.

### How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures include selecting samples to examine their net realizable values to verify the accuracy of inventory aging; evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring the allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and compare them with the current year's calculation to evaluate the appropriateness of the estimation and assumption used for inventory valuation; and evaluating the adequacy of the Company's disclosure for inventories.

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Wan-Yuan Yu.

KPMG

Taipei, Taiwan (Republic of China)

February 23, 2023

#### **Notes to Readers**

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

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
**Inpaq Technology Co., Ltd.**  
**Balance Sheets**  
**December 31, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollar)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and Equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 641,970	7	329,660	4	2100	Short-term borrowings (note 6(12))	\$ 100,000	1	100,000	1
1150	Notes receivable (note 6(3))	2,467	-	7,154	-	2170	Notes and accounts payable	71,961	1	140,539	2
1170	Accounts receivable, net (note 6(3))	821,968	8	893,677	11	2180	Accounts payable to related parties (note 7)	264,794	3	329,125	4
1180	Accounts receivable due from related parties, net (notes 6(3) and 7)	267,263	3	195,109	2	2201	Salary and bonus payable	167,518	2	166,402	2
1210	Other receivables due from related parties (note 7)	712,719	7	500,706	6	2213	Payable on machinery and equipment	94,891	1	114,209	1
1310	Inventories (note 6(4))	397,570	4	498,104	6	2220	Other payables to related parties (notes 6(6) and 7)	46,270	-	44,883	-
1476	Other current financial assets — current (notes 6(1) and (5))	449,427	5	162,640	2	2280	Lease liabilities-current (notes 6(14) and 7)	1,309	-	16,225	-
1479	Other current assets (note 6(11))	35,920	-	60,726	1	2322	Long-term borrowings, current portion (note 6(12))	361,100	4	-	-
		<u>3,329,304</u>	<u>34</u>	<u>2,647,776</u>	<u>32</u>	2399	Other current liabilities	<u>166,770</u>	<u>2</u>	<u>125,043</u>	<u>2</u>
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>		<u>1,274,613</u>	<u>14</u>	<u>1,036,426</u>	<u>12</u>
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(2))	409,156	5	553,513	7	2313	Deferred revenue (notes 6(12) and (13))	31,099	-	14,921	-
1551	Investments accounted for using the equity method (note 6(6))	3,318,643	35	2,928,223	35	2540	Long-term borrowings (note 6(12))	2,260,615	24	1,457,023	18
1600	Property, plant and equipment (notes 6(8) and 7)	2,406,829	25	1,926,986	23	2570	Deferred tax liabilities (note 6(16))	216,178	2	210,290	3
1755	Right-of-use assets (notes 6(9) and 7)	10,416	-	80,892	1	2580	Lease liabilities — non-current (notes 6(14) and 7)	9,307	-	65,159	1
1780	Intangible assets (note 6(10))	25,574	-	26,964	-	2640	Net defined benefit liability, non-current (note 6(15))	22,385	-	29,351	-
1840	Deferred tax assets (note 6(16))	24,182	-	53,422	1	2645	Guarantee deposits received	6,122	-	6,122	-
1920	Refundable deposits (notes 7, 8 and 9)	32,487	-	19,524	-			<u>2,545,706</u>	<u>26</u>	<u>1,782,866</u>	<u>22</u>
1990	Other non-current assets (note 6(11))	84,280	1	84,510	1		<b>Total liabilities</b>	<u>3,820,319</u>	<u>40</u>	<u>2,819,292</u>	<u>34</u>
		<u>6,311,567</u>	<u>66</u>	<u>5,674,034</u>	<u>68</u>		<b>Equity (note 6(17)):</b>				
						3100	Ordinary share capital	1,401,803	15	1,401,803	17
						3200	Capital surplus	2,838,983	29	2,906,644	35
						3300	Retained earnings	1,827,412	19	1,314,402	16
						3400	Other equity	(246,228)	(3)	(118,913)	(2)
						3500	Treasury shares	(1,418)	-	(1,418)	-
							<b>Total equity</b>	<u>5,820,552</u>	<u>60</u>	<u>5,502,518</u>	<u>66</u>
<b>Total assets</b>		<u><b>\$ 9,640,871</b></u>	<u><b>100</b></u>	<u><b>8,321,810</b></u>	<u><b>100</b></u>	<b>Total liabilities and equity</b>		<u><b>\$ 9,640,871</b></u>	<u><b>100</b></u>	<u><b>8,321,810</b></u>	<u><b>100</b></u>

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
**Inpaq Technology Co., Ltd.**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)**

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net operating revenue</b> (notes 6(19) and 7)	\$ 3,354,478	100	3,200,113	100
5000	<b>Operating costs</b> (notes 6(4), (14), (15), (20) and 7)	2,707,032	81	2,423,123	76
5900	<b>Gross profit</b>	647,446	19	776,990	24
5910	Unrealized loss from sales (note 7)	(3,114)	-	(234)	-
5950	<b>Realized gross profit</b>	644,332	19	776,756	24
6000	<b>Operating expenses</b> (notes 6(14), (15), (20) and 7):				
6100	Selling	250,268	7	261,052	8
6200	General and administrative	170,534	5	138,761	4
6300	Research and development	97,562	3	95,375	3
6450	Expected credit reversal gain	-	-	(4,448)	-
	<b>Total operating expenses</b>	518,364	15	490,740	15
6900	<b>Net operating income</b>	125,968	4	286,016	9
7000	<b>Non-operating income and expenses:</b>				
7100	Interest revenue (notes 6(21) and 7)	33,841	1	16,033	1
7020	Other gains and losses (notes 6(2), (6), (7), (21) and 7)	34,968	1	52,108	2
7050	Finance costs (notes 6(14), (21) and 7)	(23,474)	(1)	(8,821)	-
7060	Share of profit of associates accounted for using equity method, net (note 6(6))	349,731	10	312,395	10
7230	Foreign exchange gain (loss) (note 6(22))	145,046	4	(34,946)	(1)
	<b>Total non-operating income and expenses</b>	540,112	15	336,769	12
7900	<b>Profit before income tax</b>	666,080	19	622,785	21
7950	<b>Less: income tax expenses</b> (note 6(16))	75,151	2	63,256	2
	<b>Net income</b>	590,929	17	559,529	19
8300	<b>Other comprehensive income:</b>				
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8310	Gains (losses) on remeasurements of defined benefit plans (note 6(15))	5,414	-	(25)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(112,736)	(3)	28,483	1
8326	Share of other comprehensive income of subsidiaries, associates accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	(338)	-	(258)	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	(107,660)	(3)	28,200	1
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8360	Exchange differences on translation of foreign financial statements	54,393	2	(8,177)	-
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(56,035)	(2)	(16,085)	(1)
	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	3,770	-	(1,251)	-
8371	Income tax related to items that may be reclassified subsequently (note 6(16))	10,960	-	(2,405)	-
	<b>Total items that may be reclassified to subsequently to profit or loss</b>	(8,832)	-	(23,108)	(1)
8300	<b>Other comprehensive income</b>	(116,492)	(3)	5,092	-
	<b>Total comprehensive income</b>	<b>\$ 474,437</b>	<b>14</b>	<b>564,621</b>	<b>19</b>
	<b>Net profit attributable to:</b>				
	Owners of the Company	\$ 590,929	17	566,412	19
	Former owner of business combination under common control	-	-	(6,883)	-
		<b>\$ 590,929</b>	<b>17</b>	<b>559,529</b>	<b>19</b>
	<b>Total comprehensive income attributable to:</b>				
	Owners of the Company	\$ 474,437	14	570,689	19
	Former owner of business combination under common control	-	-	(6,068)	-
		<b>\$ 474,437</b>	<b>14</b>	<b>564,621</b>	<b>19</b>
	<b>Earnings per share (New Taiwan Dollars)</b> (note 6(18))				
9750	Basic earnings per share	<b>\$ 4.22</b>		<b>4.04</b>	
9850	5736101Diluted earnings per share	<b>\$ 4.19</b>		<b>4.02</b>	

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

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

Inpaq Technology Co., Ltd.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollar)

	Retained earnings						Total other equity interest		Treasury shares	Equity attributable to former owner of business combination	Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
<b>Balance as of January 1, 2021</b>	\$ 1,401,803	3,045,890	138,648	164,668	427,059	730,375	(119,071)	64,616	(54,455)	(1,418)	5,486,869
Net income for the period	-	-	-	-	566,412	566,412	-	-	-	(6,883)	559,529
Other comprehensive income for the period	-	-	-	-	(25)	(25)	(7,838)	12,140	4,302	815	5,092
Total comprehensive income for the period	-	-	-	-	566,387	566,387	(7,838)	12,140	4,302	(6,068)	564,621
Appropriation and distribution of retained earnings:											
Appropriation for legal reserve	-	-	33,933	-	(33,933)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(110,213)	110,213	-	-	-	-	-	-
Due to donated assets received	-	(7)	-	-	-	-	-	-	-	-	(7)
Changes in equity of associates accounted for using equity method	-	148	-	-	-	-	-	-	-	-	148
Cash dividends from capital surplus	-	(140,135)	-	-	-	-	-	-	-	-	(140,135)
Adjustment to capital surplus due to non-proportional investment in associates 's increase in capital	-	748	-	-	-	-	-	-	-	-	748
Reorganization	-	-	-	-	13,256	13,256	(64,376)	-	(64,376)	(358,606)	(409,726)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,384	4,384	-	(4,384)	(4,384)	-	-
<b>Balance as of December 31, 2021</b>	1,401,803	2,906,644	172,581	54,455	1,087,366	1,314,402	(191,285)	72,372	(118,913)	(1,418)	5,502,518
Net income for the period	-	-	-	-	590,929	590,929	-	-	-	-	590,929
Other comprehensive income for the period	-	-	-	-	5,414	5,414	47,203	(169,109)	(121,906)	-	(116,492)
Total comprehensive income for the period	-	-	-	-	596,343	596,343	47,203	(169,109)	(121,906)	-	474,437
Appropriation and distribution of retained earnings:											
Appropriation for legal reserve	-	-	58,402	-	(58,402)	-	-	-	-	-	-
Appropriation for special reserve	-	-	-	64,458	(64,458)	-	-	-	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(84,081)	(84,081)	-	-	-	-	(84,081)
Due to donated assets received	-	(2)	-	-	-	-	-	-	-	-	(2)
Cash dividends from capital surplus	-	(84,081)	-	-	-	-	-	-	-	-	(84,081)
Disposal of subsidiaries or investments accounted for using equity method (note 6(6))	-	16,419	-	-	(117)	(117)	(5,141)	597	(4,544)	-	11,758
Changes in equity of associates accounted for using equity method	-	3	-	-	-	-	-	-	-	-	3
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	865	865	-	(865)	(865)	-	-
<b>Balance as of December 31, 2022</b>	\$ 1,401,803	2,838,983	230,983	118,913	1,477,516	1,827,412	(149,223)	(97,005)	(246,228)	(1,418)	5,820,552

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

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

**Inpaq Technology Co., Ltd.**

**Statements of Cash Flows**

**For the years ended December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollar)**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 666,080	622,785
Adjustments:		
Adjustments to reconcile profit:		
Depreciation	250,467	210,661
Amortization	9,032	7,222
Expected credit reversal gain	-	(4,448)
Interest expense	23,474	8,821
Interest income	(33,841)	(16,033)
Dividend income	(18,057)	(13,218)
Provision for inventory obsolescence and devaluation loss	10,707	-
Share of gain of subsidiaries and associates accounted for using the equity method	(349,731)	(312,395)
Loss on disposal of property, plant and equipment	4,076	467
Unrealized profit from sales	(1,785)	(1,878)
Amortization of government grant	-	(1,006)
Others	(14,129)	3,894
<b>Total adjustments to reconcile profit</b>	<b>(119,787)</b>	<b>(117,913)</b>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable	4,687	(6,286)
Accounts receivable	71,709	(226,581)
Accounts receivable due from related parties	(72,154)	(36,519)
Other receivables due from related parties	30,201	(17,500)
Inventories	89,827	(240,017)
Other current assets	27,606	(10,911)
Notes and accounts payable	(68,578)	(821)
Accounts payable to related parties	(62,945)	205,198
Salary and bonus payable	1,116	22,525
Other current liabilities	(8,501)	1,116
<b>Total adjustments</b>	<b>(106,819)</b>	<b>(427,709)</b>
Cash flows generated from operations	559,261	195,076
Interest received	30,955	15,640
Dividends received	18,057	13,218
Interest paid	(23,405)	(8,674)
Income taxes paid	(739)	(584)
<b>Net cash flows from operating activities</b>	<b>584,129</b>	<b>214,676</b>

(Continued)

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

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

**Inpaq Technology Co., Ltd.**

**Statements of Cash Flows**

**For the years ended December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollar)**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(46,365)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,488	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,798
Acquisition of equity method investee	(291,798)	(373,543)
Cash dividends received from associates and subsidiaries	-	4,454
Proceeds from disposal of investments accounted for using equity method	317,092	-
Acquisition of property, plant and equipment	(666,733)	(812,126)
Proceeds from disposal of property, plant and equipment	3,567	2,001
Increase in refundable deposits	(12,963)	(12,878)
Increase in other receivables due from related parties	(242,214)	(124,432)
Acquisition of intangible assets	(7,642)	(15,567)
Decrease (increase) in other financial assets	(286,787)	32,966
Increase in other non-current assets	(83,018)	(26,384)
<b>Net cash flows used in investing activities</b>	<b>(1,268,008)</b>	<b>(1,366,076)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans borrowings	1,000,000	2,055,000
Repayment of short-term borrowings	(1,000,000)	(1,955,000)
Increase in long-term borrowings	1,180,870	974,950
Repayment of long-term borrowings	-	(10,000)
Increase in guarantee deposits received	-	6,122
Payment of lease liabilities	(16,519)	(14,292)
Cash dividends paid	(168,162)	(140,135)
<b>Net cash flows from financing activities</b>	<b>996,189</b>	<b>916,645</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>312,310</b>	<b>(234,755)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>329,660</b>	<b>564,415</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 641,970</b>	<b>329,660</b>

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

**INPAQ TECHNOLOGY CO., LTD.**  
**Rules of Procedure for Shareholders Meeting**

June 14, 2022 Shareholders' Meeting

**Charter 1 General Provisions**

- Article 1** The rules of procedures for this Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 2** The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.
- To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:
1. How shareholders attend the virtual meeting and exercise their rights.
  2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
    - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
    - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
    - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
    - (4) Actions to be taken if the outcome of all proposals have been announced and extempore motion has not been carried out.
  3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.
- The time during which shareholder attendance registrations will be accepted, as stated in the first paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
- Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- This Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
- When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting

online shall register with the Company two days before the meeting date.

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

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically; attendance at shareholders meetings shall be calculated based on numbers of shares.

### **Article 3**

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

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

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting.

In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

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

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extempore motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

**Article 4** If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

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

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

**Article 5** The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

**Article 6** The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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

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

**Article 7** The chair shall call the meeting to order at the appointed meeting time and disclose

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 2.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

**Article 8** If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

**Article 9** Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

**Article 10** Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. When a meeting is in progress, the chair may announce a break based on time considerations.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.

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

**Article 11** When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

**Article 12** When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule

sufficient time for voting.

**Article 13** A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

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

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

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

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

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

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 2 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extempore motions, they will not exercise voting rights on the original

proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

**Article 14** When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

**Article 14-1** The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

**Article 14-2** On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taipei Exchange Market regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 14-3** In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

**Article 14-4** When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

**Article 14-5** In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

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

During a postponed or resumed session of a shareholders meeting held under the second

paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

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

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

**Article 14-6** When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

**Article 14-7** Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

**Article 15** The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 16** These Rules shall take effect after having been submitted to and approved by the shareholders meeting on June 12, 2002. The 1<sup>st</sup> amendment was approved by the shareholders' meeting on June 28, 2007; the 2<sup>nd</sup> amendment was approved by the

shareholders' meeting on June 15, 2020; the 3<sup>rd</sup> amendment was approved by the shareholders' meeting on July 12, 2021; and the 4<sup>th</sup> amendment was implemented after being approved by the shareholders' meeting on June 14, 2022. Subsequent amendments thereto shall be effected in the same manner.

# INPAQ TECHNOLOGY CO., LTD.

## Articles of Incorporation (Before Revision)

June 14, 2022 Shareholders' Meeting

### Chapter 1 General Provisions

- Article 1** The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be INPAQ TECHNOLOGY CO., LTD.
- Article 2** The scope of business of the Company shall be as follows:
1. CC01080 Electronics Components Manufacturing
  2. CD01060 Aircraft and Parts Manufacturing
  3. Aviation Consulting
  4. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3** The Company shall have its head office in Miaoli County, and may, pursuant to a resolution adopted at the meeting of the Board of Directors and approved by the competent authorities, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4** (Deleted)
- Article 4-1** The Company's external investments are made in accordance with the resolutions of the Board of Directors, and the total amount of investment may exceed 40% of the paid-in capital.

### Chapter 2 Capital Stock

- Article 5** The total capital of the Company shall be in the amount of 3 billion NTD, divided into 300 million shares at a par value of 10 NTD per share. All shares are registered common stocks, issued in installments. The Board of Directors will decide on the issuance of unissued shares based on actual needs. Among the total capital, 150 million NTD, equivalent to 15 million shares at a par value of 10 NTD per share, are reserved for the use of employee stock options.
- Article 6** The share certificates of the Company shall be in registered form, and shall be numbered and signed by or affixed with the seals by a director representing the Company. The shares shall be issued after being verified by a bank authorized to act as a share issuance certifying agent according to the law.
- Article 6-1** The registered shares or corporate bonds issued by the Company may not be printed if deemed necessary, but registration should be handled through a centralized securities depository institution.
- Article 7** The transfer, inheritance, gift, establishment and release of pledge rights, loss, damage, or other stock-related matters shall be handled in accordance with the "Guidelines for Handling Stock Affairs of Publicly Issued Companies" and other relevant laws and regulations.
- Article 8** Registration for transfer of shares shall be suspended for a period of 60 days before the convening date of the annual shareholders meeting, 30 days before the convening date of a special shareholders meeting, or within 5 days before the date on which dividends, bonus, or other benefits are scheduled to be paid by the Company.

### Chapter 3 Shareholders' Meeting

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

**Article 10** When a shareholders' meeting is held, the chairperson of the board shall preside. If the chairperson is on leave or unable to exercise his or her duties for any reason, a designated director shall act on behalf of the chairperson. If the chairperson does not designate a proxy, the directors shall elect one among themselves to act as the proxy. When the meeting is convened by a convener other than the board of directors, the convener shall serve as the chairperson; if there are two or more conveners, they shall elect one among themselves to serve as the chairperson.

**Article 10-1** When holding a shareholders' meeting, the Company may conduct the meeting using video conference or other methods announced by the Ministry of Economic Affairs.

**Article 11** The convening of the annual shareholders' meeting shall be notified to all shareholders 30 days prior to the meeting, stating the date, location, and purpose of the meeting. For the special shareholders' meeting, the notice shall be given 15 days in advance. With the consent of the recipient, the notice for convening a shareholders' meeting can be sent electronically.

**Article 12** The following matters of this company shall be resolved by the shareholders' meeting:

1. Amendments to the Company's articles of incorporation
2. Increase or decrease of the Company's total capital
3. Dissolution or liquidation of the company
4. Election of directors
5. Other matters that should be resolved by the shareholders' meeting according to the law

**Article 13** When a shareholder is unable to attend a shareholders' meeting for any reason, they may issue a power of attorney printed by the Company, specifying the scope of authorization, and appoint a proxy to attend the shareholders' meeting on their behalf. If a person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by the proxy that exceed 3% of the total voting rights of the issued shares shall not be counted, except for trust businesses or stock affairs proxy institutions approved by the securities regulatory authority. The power of attorney mentioned above shall be delivered to the company five days before the shareholders' meeting. In case of duplicates, the one delivered first will be considered valid, but this restriction does not apply to declarations of revocation of the proxy appointment.

**Article 14** Each shareholder of the Company has one voting right per share. Each share has one voting right, except for situations provided in Article 179 of the Company Act where no voting rights are granted.

**Article 15** Resolutions of the shareholders' meeting shall be adopted by the attendance of shareholders representing more than half of the total issued shares, and with the consent of more than half of the voting rights of the attending shareholders, unless otherwise provided by the Company Act. The resolutions of the shareholders' meeting shall be recorded in the minutes, signed or stamped by the chairperson of the board or the chairperson of the shareholders' meeting, and distributed to all shareholders within 20 days after the meeting. The distribution method shall follow the relevant regulations.

#### **Chapter 4 Directors, Audit Committee and Managerial Officials**

**Article 16** The Company shall have 5 – 9 Directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election.

The Company may purchase liability insurance for its directors within their term of office to cover the compensation responsibilities they are legally required to bear for their execution of duties. The matters related to insurance coverage are fully authorized to the Board of Directors for handling.

**Article 16-1** In accordance with Article 14-2 of the Securities and Exchange Act, the Company shall designate no less than three independent directors and no less than one-fifth of the total number of director seats among the director positions mentioned in the previous article. The election of directors shall adopt a cumulative voting system, in which each share has voting rights equal to the number of directors to be elected. Shareholders may concentrate their votes on one candidate or distribute their votes among multiple candidates. The candidates with the most votes representing the voting rights shall be elected as directors. Independent directors and non-independent directors shall be elected together, with their quotas calculated separately.

**Article 16-2** The election of the Company's directors (including independent directors) shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act, and directors shall be elected from the list of director candidates at the shareholders' meeting.

Matters related to independent directors shall be handled in accordance with the provisions of the Company Act and the regulations of the securities regulatory authority.

**Article 16-3** This company shall establish an Audit Committee composed of all independent directors. The composition, authority, rules of procedure, and other matters to be observed by the Audit Committee shall be in accordance with the relevant regulations of the securities regulatory authority.

**Article 17** The board of directors is organized by the directors, and board meetings should be held at least once a quarter. Its powers are as follows:

1. Discuss and supervise the formulation and execution of the operating policies and business plans.
2. Appoint or dismiss important personnel of the Company as required by laws and regulations.
3. Formulation and modification of important articles of incorporation and company organization rules.
4. Establishment and abolition of branch offices.
5. Convene shareholders' meetings.
6. Decision-making on domestic and foreign investment cases.
7. Review and approval of budgets and final accounts.
8. Selection of certified public accountants for signing.
9. Exercise other powers granted by laws, regulations, and shareholders' meetings.

**Article 18** The board of directors of the Company shall, in accordance with the law, elect one person from among the directors as the chairperson. The chairperson shall be the chairperson of the board of directors' meetings and represent the company externally.

**Article 19** The board of directors' meetings, except as otherwise provided by the Company Act, shall be convened by the chairperson. When the chairperson is on leave or unable to exercise their duties due to any reason, their proxy shall be handled in accordance with the provisions of the Company Act. When a director entrusts another director to attend the

board of directors' meeting on their behalf, they shall issue a power of attorney specifying the scope of authorization for the matters being convened. The aforementioned proxy shall be limited to one person being entrusted.

**Article 19-1** The convocation of the board of directors' meetings shall state the matters to be discussed and notify all directors at least seven days in advance. However, in case of emergency, the meeting may be convened at any time. The convocation mentioned in the preceding paragraph may be notified by written, fax, or electronic means.

**Article 20** (Deleted)

**Article 21** Resolutions of the board of directors, except as otherwise provided by the Company Act, shall be made with the attendance of more than half of the directors and the consent of a majority of the attending directors.

**Article 22** (Deleted)

**Article 23** (Deleted)

**Article 24** The remuneration of the directors of the company shall be authorized by the board of directors, with reference to the usual level of the industry, and shall be paid regardless of profit or loss.

**Article 25** The Company shall have one general manager and several deputy general managers. The appointment and dismissal of the general manager shall be subject to the attendance and consent of more than half of the directors at the board meeting. The appointment and dismissal of deputy general managers shall be proposed by the general manager and shall be carried out with the attendance and consent of more than half of the directors at the board meeting.

## **Chapter 5 Accounting**

**Article 26** The accounting year of the Company shall be from January 1st to December 31st of each year. At the end of each accounting year, the board of directors shall prepare the following documents and submit them to the shareholders' meeting for approval in accordance with the law:

1. Business report
2. Financial statements
3. Proposal for profit distribution or loss compensation

**Article 27** If the Company has profits for the year, it shall allocate no less than 5% for employee remuneration, which shall be distributed in the form of stocks or cash as decided by the board of directors. The distribution may include employees of subsidiary companies that meet certain criteria. The company shall allocate no more than 3% of the profits for director remuneration as decided by the board of directors. However, if the company has accumulated losses, a reserve shall be made for the losses first, and the remainder shall be allocated according to the aforementioned proportions. The distribution of employee remuneration and director remuneration shall be carried out by a special resolution of the board of directors and submitted to the shareholders' meeting.

**Article 27-1** If the Company has a surplus in its annual final accounts, it shall first pay taxes, offset accumulated losses, and then allocate 10% as a legal surplus reserve. However, if the legal surplus reserve has reached the company's paid-in capital, no further allocation is

required. The remaining amount shall be allocated or reversed to a special surplus reserve according to the regulations; if there is still a balance, it shall be combined with the accumulated undistributed profits. The board of directors shall prepare a profit distribution proposal and submit it to the shareholders' meeting for resolution on the distribution of shareholder dividends.

The industry in which the company operates is highly dynamic, capital and technology-intensive, and the company is in a stable growth stage of its life cycle. It is necessary to retain earnings to meet the capital needs of business growth and investment. At this stage, a residual dividend policy is adopted. The cash dividend distributed to shareholders as mentioned in the previous paragraph shall not be less than 10% of the total distribution amount.

**Article 27-2** (Deleted)

**Article 27-3** (Deleted)

**Article 28** (Deleted)

### **Chapter 6 Supplementary Provisions**

**Article 29** The Company may conduct foreign guarantee business in accordance with government regulations.

**Article 30** Matters not covered herein shall be handled in accordance with the Company Act and other relevant laws and regulations.

**Article 31** This charter was established by the initiator meeting and agreed upon by all initiators on June 15, 1998. It came into effect from the date of registration approval by the competent authority.

The 1st amendment was made on June 22, 1998.

The 2nd amendment was made on May 20, 1999.

The 3rd amendment was made on May 26, 2000.

The 4th amendment was made on December 28, 2000.

The 5th amendment was made on April 16, 2001.

The 6th amendment was made on April 16, 2001.

The 7th amendment was made on June 12, 2002.

The 8th amendment was made on June 3, 2003.

The 9th amendment was made on September 19, 2003.

The 10th amendment was made on June 14, 2005.

The 11th amendment was made on June 8, 2006.

The 12th amendment was made on June 8, 2006.

The 13th amendment was made on June 28, 2007.

The 14th amendment was made on June 28, 2007.

The 15th amendment was made on June 16, 2009.

The 16th amendment was made on June 18, 2010.

The 17th amendment was made on June 12, 2012.

The 18th amendment was made on June 17, 2016.

The 19th amendment was made on June 16, 2017.

The 20th amendment was made on June 11, 2018.

The 21st amendment was made on June 25, 2019.

The 22nd amendment was made on June 15, 2020.

The 23rd amendment was made on June 14, 2022.

**INPAQ TECHNOLOGY CO., LTD.**

**Rules for Election of Directors**

June 15, 2020 Shareholders' Meeting

Article 1: The election of directors of the Company shall be governed by this method, except for provisions in the Company Law, the Company's articles of incorporation, and relevant laws and regulations.

Article 2: The Board of Directors shall prepare an election ballot equal to the number of directors to be elected, with the number of votes specified, and distribute them to the shareholders attending the shareholders' meeting. The name of the voter may be represented by the attendance number printed on the election ballot.

Article 3: The election of directors of the Company adopts the system of candidate nomination in accordance with the procedures set forth in Article 192-1 of the Company Law. The qualifications and election of independent directors of the Company shall be handled in accordance with the Securities and Exchange Act, Regulations Governing the Establishment of Independent Directors for Public Companies, Corporate Governance Best Practice Principles for Listed and OTC Companies, and relevant regulations of the competent authority. If the number of directors is less than five due to dismissal, the Company shall make up for the vacancy at the nearest shareholders' meeting. However, if the number of director vacancies reaches one-third of the number of seats specified in the articles of incorporation, the Company shall call a special shareholders' meeting to make up for the vacancy within 60 days of the occurrence of the fact. If the number of independent directors is less than the number specified in Article 16-1 of the Company's articles of incorporation, it shall be supplemented at the nearest shareholders' meeting. If all independent directors are dismissed, the Company shall call a special shareholders' meeting to make up for the vacancy within 60 days of the occurrence of the fact.

Article 4: The cumulative voting system shall be adopted for the election of directors of the Company, and each share shall have the same number of voting rights as the number of directors to be elected. Voters may choose to concentrate their votes on one candidate or distribute their votes among multiple candidates.

Article 5: The number of directors of the Company shall be divided into independent directors and non-independent directors as specified in the Company's articles of incorporation. The elected representatives with the most votes for each category shall be elected in turn. If two or more candidates have the same number of votes and exceed the required number of seats, they shall be decided by drawing lots. The chairperson shall draw lots on behalf of absentees.

Article 6: Deleted.

Article 7: Before the election, the chairperson shall appoint several supervisors and vote counters to perform their respective duties. However, the supervisors must be shareholders.

Article 8: The ballot box shall be prepared by the Board of Directors and shall be opened and inspected publicly by the supervisors before the vote.

Article 9: If the candidate is a shareholder, the voter must fill in the candidate's account name and shareholder account number on the election ballot. If the candidate is not a shareholder, the voter must fill in the candidate's name and identification number. However, if the candidate is a

government agency or a corporate shareholder, the name of the government agency or corporate shareholder shall be filled in the candidate's account name field, and the name of the government agency or corporate shareholder and the names of its representatives may be filled in. If there are multiple representatives, their names shall be filled in separately.

Article 10: A ballot is invalid under any of the following circumstances:

1. A ballot not placed in the ballot box.
2. A ballot not prepared by the board of directors.
3. A blank ballot placed in the ballot box.
4. A ballot with unclear handwriting or markings.
5. A ballot indicating a candidate who is a shareholder, but the name and shareholder account number do not match the shareholder registry. Or a ballot indicating a candidate who is not a shareholder, but the name and identification document number do not match the registration.
6. A ballot with any additional text other than the candidate's name, shareholder account number (or identification document number), and number of votes allotted.
7. A ballot with a candidate's name identical to that of another shareholder but without the shareholder account number or identification document number to distinguish between them.

Article 11: When the Company establishes an audit committee, an auditor shall not be separately elected.

Article 12: Any election result that does not comply with the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act shall be considered invalid.

Article 13: After voting has concluded, the vote count shall be conducted on the spot, and the chairperson or a designated person shall announce the elected directors and their vote count. The ballots should be sealed and signed by the scrutineer and kept safely for at least one year. However, if a shareholder initiates litigation under Article 189 of the Company Act, the ballots should be kept until the litigation is concluded.

Article 14: The elected director shall receive a notification letter issued by the company's board of directors.

Article 15: This regulation shall take effect after being passed at a shareholders' meeting, and any subsequent amendments shall also be subject to the same process.

Article 16: This regulation was established after being passed at a shareholders' meeting on June 12, 2002. It was revised for the first time after being passed at a shareholders' meeting on June 28, 2007. It was revised for the second time after being passed at a shareholders' meeting on June 15, 2020.

**INPAQ TECHNOLOGY CO., LTD.****Shareholdings and Minimum legally-held shares of All Directors**

In accordance with Article 26 of the Securities and Exchange Act and Article 2, Paragraph 4 of the "Rules for Implementation of Shareholding Ratios and Auditing of Directors and Supervisors of Publicly Issued Companies," as of the record date for the 2023 Annual Shareholders' Meeting on April 18th, 2023, the minimum shareholding and actual shareholding of all directors of the company are as follows:

Unit: Shares

Total Number of Common Shares Issued by the Company								140,180,341
The minimum total number of shares that all directors should hold								8,410,820
Position	Name	Appointment Date	Term End Date	Number of shares held at the time of appointment		Registered Shares		Note
				Number of Shares	%	Number of Shares	%	
Chairperson	Walsin Technology Corporation Representative: Pei-Cheng Chen	June 15, 2020	June 14, 2023	46,284,950	33.02	47,848,650	34.13	
Director	Walsin Technology Corporation Representative: Yu-Heng Chiao	June 15, 2020	June 14, 2023	46,284,950	33.02	47,848,650	34.13	
Director	Walsin Technology Corporation Representative: Ming-Tsan Tseng	June 15, 2020	June 14, 2023	46,284,950	33.02	47,848,650	34.13	
Director	Dun-Ren Cheng	June 15, 2020	June 14, 2023	1,496,606	1.07	1,496,606	1.07	
Independent Director	Ji-Zu Gao	June 15, 2020	June 14, 2023	6	-	6	-	
Independent Director	Min-Hsiung Hong	June 15, 2020	June 14, 2023	50,559	0.04	50,559	0.04	
Independent Director	Teh-Fu Huang	June 15, 2020	June 14, 2023	-	-	-	-	
Total Shareholding				47,832,121	34.12	49,395,821	35.24	
The total number of shares held and the percentage held by all directors (excluding independent directors)				47,781,556	34.09	49,345,256	35.20	

**INPAQ TECHNOLOGY CO., LTD.**  
**Other Support Materials**

1. Impact of this free stock dividend on the Company's operational performance, earnings per share, and shareholder return:

This shareholder meeting does not propose any free stock dividends, so it does not apply.

2. Status of shareholder proposals:

- (1) Pursuant to Article 172-1 of the Company Act, "shareholders holding more than 1% of the total number of issued shares may propose a resolution for a shareholder's meeting in writing, limited to one proposal and 300 words."
- (2) The period for accepting shareholder proposals by the Company was from April 7, 2023 to April 17, 2023, and has been publicly announced on the Taiwan Stock Exchange website.
- (3) The Company has not received any shareholder proposals.