

Stock Code: 8084



2024 Annual Shareholders' Meeting Meeting Handbook

Physical shareholders' meeting

May 16, 2024

B2, No. 716, Zhongzheng Rd., Zhonghe Dist.,

New Taipei City

(Far East Century Plaza Phase II Building L

Management Committee Meeting Room)

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Chip Hope Co., Ltd
2024 Annual Shareholders' Meeting Agenda

Time: 9 AM May 16 (Thursday), 2024

Venue: B2, No. 716, Zhongzheng Rd., Zhonghe Dist., New Taipei City
(Far East Century Plaza Phase II Building L Management
Committee Meeting Room)

Chairman: Yueh-Ching Cheng

Meeting Agenda:

- I. Meeting Called to Order
- II. Chairperson's opening remarks
- III. Status Report
 - Report I: 2023 Business Report
 - Report II: 2023 Audit Committee's Review Report
- IV. Matters for Ratification
 - Case I: 2023 Annual Accounting Final Reports
 - Case II: 2023 Deficit Appropriation
- V. Matters for Discussion
 - Proposal I: Amendments to "Operating Procedures of Endorsement / Guarantees "
 - Proposal II: Amendments to "Procedures for Acquisition or Disposal of Assets"
 - Proposal III: Amendments to "Articles of Incorporation"
- VI. Election Matters
 - The 13th Election of Directors and Independent Director
- VII. Other Matters
 - Proposal of Release the Prohibition on Directors from Participation in Competitive Business
- VIII. Extempore Motions
- IX. Meeting Adjourned

I. Status Report:

Case I

Subject: Please review 2023 Business Report.

Explanation: Please refer to Attachments 1 on page 5-7 of the handbook for 2023 business report.

Case II

Subject: Please review 2023 Audit Committee's Review Report.

Explanation: Please refer to Attachments 2 on page 8 of the handbook for 2023 audit committee's review report.

II. Matters for Ratification:

Case I: (Proposed by the Board of Directors)

Subject: Please ratify 2023 Financial Statements.

Explanation:

1. The 2023 business report, parent company only financial statements, consolidated financial statements, and deficit appropriation have been resolved by the Audit Committee and Board of Directors.
2. The Company's 2023 Financial Statements have been audited by Benison Associated CPAs' Firm Hsin-Yuan Wang and Yu-Ya Lin. The CPAs have issued audit report for the financial statements.
3. Please refer to Attachments 1 on page 5-7 and Attachments 3 on page 9-27 of the handbook for the above-mentioned business report, independent auditors' report, parent company only financial statements, and consolidated financial statements.

Resolution:

Case II: (Proposed by the Board of Directors)

Subject: Please ratify 2023 Deficit Appropriation

Explanation:

1. The Company's net profit after tax in 2023 is NT\$109,488,877. Accumulated loss is NT\$159,879,119. The Company will not distribute dividend for this year.
2. Please refer to Attachments 4 on page 28 of the handbook for 2023 deficit appropriation.

Resolution:

III. Matters for Discussion

Case I: (Proposed by the Board of Directors)

Subject: Please discuss the amendments to "Operating Procedures of Endorsement / Guarantees".

Explanation:

1. To meet the needs of the company, it is planned to amend the provisions related to quotas.
2. Please refer to Attachments 5 on page 29 of the handbook for the comparison table of amendments to " Operating Procedures of

Endorsement / Guarantees".

Resolution:

Case II: (Proposed by the Board of Directors)

Subject: Please discuss the amendments to "Procedures for Acquisition or Disposal of Assets".

Explanation:

1. To meet the needs of the company, it is planned to amend the relevant provisions of China Investment and subsequent amendments.
2. Please refer to Attachments 6 on page 30 of the handbook for the comparison table of amendments to " Procedures for Acquisition or Disposal of Assets ".

Resolution:

Case III: (Proposed by the Board of Directors)

Subject: Please discuss the amendments to "Articles of Incorporation".

Explanation:

1. To meet the needs of the company, it is planned to amend the relevant provisions of treasury shares.
2. Please refer to Attachments 7 on page 32 of the handbook for the comparison table of amendments to "Articles of Incorporation".

Resolution:

IV. Election Matters:

Subject: The 13th Election of Directors and Independent Director.

Explanation:

1. The three-year term of directors and independent director of the 12th Board will be end on 08/17/2024. Accordingly, the company proposes to duly elect new Board members at this year's Annual Meeting of Shareholders.
2. The new directors and independent director will take office immediately after the annual shareholders' meeting. Their three-year term will start from 05/16/2024 and conclude on 05/15/2027.
3. According to Article of the Corporate Charter, directors and independent directors shall be elected from the nomination list. The qualification of directors and independent directors has been reviewed by the Board meeting on 03/27/2024. Please refer to Attachments 8 on page 33 of the handbook for Personal information of the nominees.

V. Other Matters

Case I: (Proposed by the Board of Directors)

Subject: Resolution to Lift the Restriction on Competition for Newly Appointed Directors and their Representatives.

Explanation:

1. Our company intends to lift the non-competition restriction on the newly appointed directors (including independent directors) and their representatives at the 2024 annual shareholders' meeting. Pursuant to Article 209 of the Company Act, we propose that the shareholders' meeting approve this resolution. For information regarding the positions held by director nominees, Please refer to Attachments 8 on page 33 of the handbook.

Resolution:

VI. Extempore Motions:

VII. Meeting Adjourned

Chip Hope Co., Ltd

2023 Business Report

I. 2023 Business Results

(I) The implementation results of the business plan

The Company's main products are "memory IC and application specific integrated circuit (ASIC)", "food and beverage", IC in medical devices, and hearing aid.

The Company's operating revenue in 2023 is NT\$888,283 thousand, which reduced NT\$270,823 thousand comparing to NT\$1,159,106 thousand in 2022. The net profit before tax is NT\$113,833 thousand, which increased NT\$52,818 thousand comparing to NT\$61,015 thousand in 2022.

(II) Status of research and development

The Company mainly sells "memory IC and ASIC", manufactures and sells medical equipment and operates restaurants.

In the sales of "memory IC and ASIC", as a result of the changes brought by COVID-19, enclosed management was adopted around the world. Long distance working such as working from home and online meeting has emerged. In terms of teaching, to avoid the risk of clustered infection, the gradual adoption of remote teaching has led to the upgrade and expansion of software and hardware equipment of the data center for cloud networking companies. In order to meet the market demand, in addition to keeping track of the latest updates of product specifications at all times, the Company also actively approached other vendors which produce NAND Flash chips as the storage memory of SSD (solid-state drives) to make the Company's products better meet the market demand.

For the manufacturing and sales of "medical devices", a higher occurrence of hearing loss in younger age group has become more due to the high reliance on 3C products, which means more people need help in hearing. As a result, the Company actively invested in technology upgrades to ensure the low distortion and quality of sound in different environments by improving signal processing speed and noise reduction functions, improve the auditory compensation of users and the hearing quality of voice signals, and improve the comfort and experience of users during wearing. The Company also designs products such as air conduction hearing aid and Bone anchored hearing aid so as to satisfy the different needs of the users and offer a variety of choices to the hearing impaired.

For the operation of "restaurants", the management aims to develop new product portfolios and select favorable operating locations to increase revenue.

(III) Budget execution status

In accordance with current legal regulations, the company has not released financial forecasts for 2023.

II. Outline of the 2023 Business Plan

(I) Operating Policies

In the area of “memory IC and ASIC”, in the pursuit of high bandwidth, high computing speed in the big data era, energy saving and durability considerations, as well as product dispersion and diversity are all required for future memory development, especially the coming 5G era has pushed the demand for replacing servers to history high. In addition to servers, memory is also used in electronic products such as digital cameras, voice recorders, mobile phones, digital televisions, game consoles, smart home appliances and portable chargers. Most of the current customers are in the mobile and gaming industries. In the future, we hope to develop new customers in high-speed servers and smart home appliances.

As for “medical devices”, due to the longer lifespan of people and the increasing dependence on 3C products, more people are in need of hearing aid. According to the World Health Organization, by 2050, more than 900 million people will experience hearing loss that causes disability. In addition, the U.S. government has officially announced that since 2020, all major medical device stores and retail channels will be able to sell the non-prescription hearing aids over the counter. The market opportunities will definitely bring about the explosive volume of demand in hearing aids.

In terms of customer base for “food and beverage” sales, in addition to expanding the consumer group in the Greater Taipei area, the Company also actively expanded to other counties and cities, chose places where the crowd and consumption power gathered to expand the stores, and increased operating revenue. In terms of products, in addition to meeting the tastes of consumers and offering customized products, the Company also enhances the consistency of taste in delicate desserts to allow consumers to enjoy the same desserts in each store, and provides precooked frozen food to enable consumers to enjoy chef made food at home.

In summary, the Company’s sales strategy is to continuously explore the customer group of various products and the breadth and depth of product applications.

(II) Important Production and Sales Strategies

Sign long-term supply agreements with upstream suppliers to ensure the stability of raw material sources.

Keep close contact with our existing customers and seize the market sales trend of our customers to provide our customers with the most desired products.

Pay close attention to overseas market trends, closely monitor the linkage between local government implementation plans and the Company’s product development, and effectively obtain first-hand business opportunities.

III. Future Development Strategies

The Group will continue to expand and develop a healthy product revenue structure, integrate and analyze customer needs by data, connect upstream and downstream, drive supply chain management, generate innovative business models and provide customers with higher value-added services.

IV. Effect of external competitive environment, regulatory environment and overall operating environment

In 2023, we face multiple challenges in risks such as the continuance of international inflation and interest rate hike pressure, Russia-Ukraine war, the economic slowdown in China, the rise of US-China technology disputes, the increasing impact of climate change, increased risk in price cutting competition, and the import/export/consumption restrictions brought by local governments or the environment. We have to continuously enhance product diversity, launch new products, promote online platform, and enhance after-sales services in order to stabilize existing customers and attract attention from new customers.

Chairman:
Yuan-Ching Cheng

President:
Yi-Chang Liu

Chief Accounting Officer:
Min-Chun Chen

Audit Committee Review Report

The Board of Directors has prepared and submitted the 2023 business report, financial statements, and deficit appropriation report, of which the financial statements have been audited by Benison Associated CPA Hsin-Yuan Wang and Yu-Ya Lin, and an audit report have been issued. These have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is submitted for shareholder's examination.

Chip Hope Co., Ltd

Audit Committee convener:, Ching-Feng Tsai

February 26, 2024

Attachment 3

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chip Hope Co., Ltd.

Opinion

We have audited the accompanying financial statements of Chip Hope Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Revenue from specific customer operations

The company's amount of sales to specific new customers is significant, and has thus been deemed as a key audit matter, for the year ended December 31, 2023.

The audit procedures performed by the accountant include the following:

1. Understand and evaluate the internal controls over the recognition of sales revenue from these

- specific customers, and test the effectiveness of these controls.
2. Select samples from the transactions of these customers and review their original orders, invoices and other relevant documents to confirm the authenticity of the sales revenue.
 3. Carry out confirmation procedures for the end-of-period accounts receivable balances of these customers to confirm the accuracy of the accounts receivable records.

Other Matters

The Corporation's parent company only financial statements for the year ended December 31, 2022 were audited by other auditors and issued unqualified opinion on March 29, 2023.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with the auditing standards generally accepted in 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 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 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 financial statements, including the disclosures, and whether the 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 entities or business activities within the Company to express an opinion on the 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 financial statements for the year ended December 31, 2023, 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 audits resulting in this independent auditors’ report are Hsin-Yuan Wang and Yu-Ya Lin

Benison Associated CPA’s Firm

Taipei, Taiwan

Republic of China

February 26, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail

CHIP HOPE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in thousands of new taiwan dollars)

ASSETS	December 31, 2023		December 31, 2022		
	Amount	%	Amount	%	
CURRENT ASSETS					
1100	Cash and cash equivalents (Note 6(1))	\$ 165,714	24	\$ 76,344	10
1170	Accounts receivable, net (Note 6(2))	93,364	14	227,090	30
1180	Accounts receivable from related parties (Note 7(2))	-	-	157,983	21
1200	Other receivables (Note 6(2))	194,269	28	121	
1210	Other receivables from related parties (Note 7)	-	-	14	-
1220	Current tax assets (Note 6(22))	37	-	-	-
130X	Inventories (Note 6(3))	59,481	9	153,151	20
1410	Prepayments	586	-	354	-
1476	Other financial assets - current (Note 8(1))	22,664	3	48,979	6
11XX	Total current assets	<u>536,115</u>	<u>78</u>	<u>664,036</u>	<u>87</u>
NON-CURRENT ASSETS					
1518	Financial assets at fair value through other comprehensive income - non-current (Note 6(5))	-	-	12,898	2
1550	Investments accounted for using equity method (Note 6(6))	119,412	17	68,584	9
1600	Property, plant and equipment (Note 6(7))	762	-	4,684	1
1755	Right-of-use assets (Note 6(8))	10,931	2	12,145	1
1780	Intangible assets (Note 6(9))	14,611	2	-	-
1840	Deferred tax assets (Note 6(22))	83	-	59	-
1920	Refundable deposits	818	-	402	-
1975	Net defined benefit asset (Note 6(13))	6,249	1	-	-
15XX	Total non-current assets	<u>152,866</u>	<u>22</u>	<u>98,772</u>	<u>13</u>
TOTAL		<u>\$ 688,981</u>	<u>100</u>	<u>\$ 762,808</u>	<u>100</u>

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LIABILITIES AND EQUITY		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT LIABILITIES					
2100	Short-term borrowings (Note 6(10))	\$ 75,000	11	\$ 200,880	26
2130	Contract liabilities - current (Note 6(15))	24	-	24	-
2160	Notes payable to related parties (Note 7)	-	-	140	-
2170	Accounts payable, net	16	-	22,462	3
2200	Other payables (Note 6(11))	38,271	6	12,736	2
2220	Other payables to related parties (Note 7(2))	-	-	1,531	-
2230	Current tax liabilities (Note 6(22))	-	-	921	-
2280	Current lease liabilities (Note 6(8))	3,036	-	2,931	1
2320	Current portion of long-term borrowings (Note6(12))	1,534	-	7,044	1
2300	Other current liabilities	337	-	347	-
21XX	Total current liabilities	<u>118,218</u>	<u>17</u>	<u>249,016</u>	<u>33</u>
NON-CURRENT LIABILITIES					
2540	Long-term borrowings (Note 6(12))	1,181	-	2,716	-
2580	Non-current lease liabilities (Note 6(8))	28,512	5	31,548	4
2640	Net defined benefit liabilities (Note 6(13))	-	-	12,769	2
2645	Guarantee deposits received	1,613	-	1,603	-
	Other non-current liabilities	-	-	62,964	8
25XX	Total non-current liabilities	<u>31,306</u>	<u>5</u>	<u>111,600</u>	<u>14</u>
	Total liabilities	<u>149,524</u>	<u>22</u>	<u>360,616</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital (Note 6(14))					
3110	Ordinary shares	695,142	101	695,142	92
3100	Total share capital	<u>695,142</u>	<u>101</u>	<u>695,142</u>	<u>92</u>
Retained earnings (Note 6(14))					
3310	Legal reserve	1,268	-	1,268	-
3320	Special reserve	3,259	-	3,259	-
3350	Unappropriated earnings	(159,879)	(23)	(274,404)	(36)
3300	Total retained earnings	<u>(155,352)</u>	<u>(23)</u>	<u>(269,877)</u>	<u>(36)</u>
Other equity (Note 6(14))					
3410	Exchange differences on translating the financial statements of foreign operations	(333)	-	(234)	-
3421	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	-	-	(22,839)	(3)
3400	Total other equity	<u>(333)</u>	<u>-</u>	<u>(23,073)</u>	<u>(3)</u>
3XXX	Total equity attributable to owners of the Company	<u>539,457</u>	<u>78</u>	<u>402,192</u>	<u>53</u>
	TOTAL	<u>\$ 688,981</u>	<u>100</u>	<u>\$ 762,808</u>	<u>100</u>

(The accompanying notes are an integral part of the parent company only financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen, Min-Chun

CHIP HOPE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan Dollars, except earnings per share)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
4000 OPERATING REVENUE (Note 6(15))	\$ 163,738	100	\$ 960,504	100
5000 OPERATING COSTS(Notes 6(3) 、(19) and (20))	(259,805)	(159)	(825,074)	(86)
5900 GROSS PROFIT BEFORE REALIZED (UNREALIZED)	(96,067)	(59)	135,430	14
5910 UNREALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	-	-	(160,655)	(17)
5920 REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	123,286	76	39,254	4
5950 GROSS PROFIT	27,219	17	14,029	1
6000 OPERATING EXPENSES(Note 6(19) 、(20))				
6100 Selling and marketing expenses	(19,998)	(12)	(26,360)	(3)
6200 General and administrative expenses	(9,650)	(6)	(19,137)	(2)
6300 Research and development expenses	(8,027)	(5)	-	-
6450 Expected credit loss	(36,553)	(23)	(10,471)	(1)
Total operating expenses	(74,228)	(46)	(55,968)	(6)
6900 LOSSES FROM OPERATIONS	(47,009)	(29)	(41,939)	(5)
7000 NON-OPERATING INCOME AND EXPENSES				
7100 Interest income	471	-	450	-
7010 Other income (Note 6(16))	445	-	1,187	-
7020 Other gains and losses (Note 6(17))	107,846	66	123,046	13
7050 Finance costs (Note 6(18))	(6,932)	(4)	(10,029)	(1)
7070 Share of profit or loss of subsidiaries and associates	54,668	34	(9,579)	(1)
Total non-operating income and expenses	156,498	96	105,075	11
7900 INCOME BEFORE INCOME TAX	109,489	67	63,136	6
7950 INCOME TAX EXPENSE (Note 6(22))	-	-	(5,730)	-
8200 NET INCOME	109,489	67	57,406	6
8300 OTHER COMPREHENSIVE INCOME/(LOSS)				
8310 Items that will not be reclassified subsequently to profit or loss:				
8311 Remeasurement of defined benefit plans	2,148	1	1,796	-
8316 Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	25,727	16	(22,839)	(2)
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	27,875	17	(21,043)	(2)
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translating the financial statements of foreign operations	(123)	-	6,740	-
8399 Income tax relating to items that may be reclassified subsequently to profit or loss	24	-	(1,347)	-
	(99)	-	5,393	-
Other comprehensive income, net of income tax	27,776	17	(15,650)	(2)
8500 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 137,265	84	\$ 41,756	4
EARNINGS PER SHARE (Note 6(25))				
9750 Basic	\$ 1.58		\$ 0.83	
9850 Diluted	\$ 1.58		\$ 0.83	

(The accompanying notes are an integral part of the parent company only financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen, Min-Chun

CHIP HOPE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of new taiwan dollars)

		Equity Attributable to Owners of the Company						
		Retained Earnings				Other Equity		
		Share Capital	Legal Reserve	Special Reserve	Accumulated deficit	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized valuation profit or loss of financial assets at fair value through other comprehens	Total
A1	BALANCE AT JANUARY 1, 2022	\$ 695,142	\$ 1,268	\$ 3,259	\$ (333,606)	\$ (5,627)	\$ -	\$ 360,436
D1	Net income in 2022	-	-	-	57,406	-	-	57,406
D3	Other comprehensive income in 2022, net of income tax	-	-	-	1,796	5,393	(22,839)	(15,650)
Z1	BALANCE AT DECEMBER 31, 2022	<u>\$ 695,142</u>	<u>\$ 1,268</u>	<u>\$ 3,259</u>	<u>\$ (274,404)</u>	<u>\$ (234)</u>	<u>\$ (22,839)</u>	<u>\$ 402,192</u>
A1	BALANCE AT JANUARY 1, 2023	\$ 695,142	\$ 1,268	\$ 3,259	\$ (274,404)	\$ (234)	\$ (22,839)	\$ 402,192
D1	Net income in 2023	-	-	-	109,489	-	-	109,489
D3	Other comprehensive income in 2023, net of income tax	-	-	-	2,148	(99)	25,727	27,776
Q3	Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	2,888	-	(2,888)	-
Z1	BALANCE AT DECEMBER 31, 2023	<u>\$ 695,142</u>	<u>\$ 1,268</u>	<u>\$ 3,259</u>	<u>\$ (159,879)</u>	<u>\$ (333)</u>	<u>\$ -</u>	<u>\$ 539,457</u>

(The accompanying notes are an integral part of the parent company only financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen, Min-Chun

CHIP HOPE CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of new taiwan dollars)

		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
A10000	Income before income tax	\$ 109,489	\$ 63,136
A20010	Adjustments for:		
A20100	Depreciation expenses	1,457	1,978
A20200	Amortization expenses	925	-
A20300	Expected credit loss recognized/(reversed) on trade receivables	36,553	10,471
A20900	Finance costs	6,932	10,029
A21200	Interest income	(471)	(450)
A22400	Share of loss (profit) of associates and joint ventures accounted for using equity method, net	(54,668)	9,579
A22500	(Gain)/loss on disposal of property, plant and equipment	(1,266)	(51,828)
A22700	(Gain)/loss on investment property	-	(51,273)
A23200	(Gain)/loss on investment accounted for using the equity method	(110,568)	(8,325)
A23700	Write-downs of inventories	-	27,891
A23800	Write-downs of inventories (gains on price recovery)	(39,646)	-
A23900	Unrealized gross profit on sales	-	160,655
A24000	Realized gross profit on sales	(123,286)	(39,254)
A24100	Net (gain)/loss on foreign currency exchange	2,223	(7,027)
A30000	Changes in operating assets and liabilities		
A31150	(Increase)/decrease in accounts receivable	97,511	(65,919)
A31160	(Increase)/decrease in accounts receivable from related parties	172,395	(157,643)
A31180	(Increase)/decrease in other receivables	(1,326)	(121)
A31190	(Increase)/decrease in other receivables from related parties	14	-
A31200	(Increase)/decrease in inventories	133,316	49,921
A31230	(Increase)/decrease in prepayments	(232)	2,899
A32125	Increase/(decrease) in contract liabilities	-	(6,879)
A32140	Increase/(decrease) in notes payable to related parties	(140)	(42)
A32150	Increase/(decrease) in accounts payable	(21,669)	20,207
A32180	Increase/(decrease) in other payables	(4,909)	5,743
A32190	Increase/(decrease) in other payables to related parties	-	1,591
A32230	Increase/(decrease) in other current liabilities	(10)	52
A32240	Increase/(decrease) in net defined benefit liability	(16,870)	(9,362)
A3300	Cash generated from/(used in) operations	185,754	(33,971)
A33100	Interest received	471	436
A33300	Interest paid	(7,817)	(9,448)
A33500	Income tax refund(paid)	(958)	(4,809)
AAAA	Net cash generated from/(used in) operating activities	177,450	(47,792)

(Continued)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
B00010 Acquisition of financial assets at fair value through other comprehensive income	\$ -	\$ (35,737)
B01900 Proceeds from disposal of investments accounted for using equity method	19,607	61,585
B02400 Proceeds from capital reduction of investments accounted for using equity method	-	61,000
B02700 Acquisition for property, plant and equipment	-	(50)
B02800 Proceeds from disposal of property, plant and equipment	4,945	113,873
B03700 Increase in refundable deposits	(716)	(244)
B03800 Decrease in refundable deposits	300	-
B05400 Acquisition for investment property	-	(285)
B05500 Proceeds from disposal of investment property	-	73,352
B06500 (Increase in) other financial assets	-	(11,662)
B06600 Decrease in other financial assets	26,315	-
B07600 Dividends received	-	22,675
BBBB Net cash generated from/(used in) investing activities	<u>50,451</u>	<u>284,507</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
C00100 Increase in short-term loans	75,000	-
C00200 Decrease in short-term loans	(200,880)	(191,024)
C01700 Repayments of long-term borrowings	(7,045)	(13,322)
C03000 Increase in guarantee deposits received	10	52
C03800 (Decrease in) other payables to related parties	(1,531)	-
C04020 Payments of lease liabilities	(2,931)	-
CCCC Net cash generated from/(used in) financing activities	<u>(137,377)</u>	<u>(204,294)</u>
DDDD EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(1,154)</u>	<u>-</u>
EEEE NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	89,370	32,421
E00100 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>76,344</u>	<u>43,923</u>
E00200 CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 165,714</u>	<u>\$ 76,344</u>

(The accompanying notes are an integral part of the parent company only financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen, Min-Chun

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chip Hope Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Chip Hope Co., Ltd. and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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.

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

Revenue from specific customer operations

The company's amount of sales to specific new customers is significant, and has thus been deemed as a key audit matter, for the year ended December 31, 2023.

The audit procedures performed by the accountant include the following:

1. Understand and evaluate the internal controls over the recognition of sales revenue from these specific customers, and test the effectiveness of these controls.
2. Select samples from the transactions of these customers and review their original orders, invoices and other relevant documents to confirm the authenticity of the sales revenue.
3. Carry out confirmation procedures for the end-of-period accounts receivable balances of these customers to confirm the accuracy of the accounts receivable records.

Other Matter

The Group's consolidated financial statements as of and for the year ended December 31, 2022, were audited by other auditors, who then issued unmodified opinions on March 29, 2023.

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2023 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in 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 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 for the year ended December 31, 2023, 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 audits resulting in this independent auditors' report are Hsin-Yuan Wang and Yu-Ya Lin.

Benison Associated CPA's Firm
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail

CHIP HOPE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and 2022
(Expressed in thousands of new taiwan dollars)

ASSETS	December 31, 2023		December 31, 2022		
	Amount	%	Amount	%	
CURRENT ASSETS					
1100	Cash and cash equivalents (Note 6(1))	\$ 197,280	18	\$ 99,940	8
1170	Accounts receivable, net (Note 6(2))	169,678	15	233,176	20
1200	Other receivables (Note 6(2))	194,269	17	564	-
1220	Current tax assets	43	-	-	-
130X	Inventories (Note 6(3))	79,731	7	219,774	19
1410	Prepayments	7,472	1	7,129	1
1476	Other financial assets - current (Note 8(1))	30,988	3	57,494	5
11XX	Total current assets	<u>679,461</u>	<u>61</u>	<u>618,077</u>	<u>53</u>
NON-CURRENT ASSETS					
1518	Financial assets at fair value through other comprehensive income - non-current (Note 6(5))	-	-	12,898	1
1600	Property, plant and equipment (Note 6(8))	153,371	14	190,708	16
1755	Right-of-use assets (Note 6(9))	190,111	17	226,577	19
1780	Intangible assets (Note 6(10))	60,743	5	87,254	8
1840	Deferred tax assets	83	-	59	-
1915	Prepayment for equipment	1,054	-	4,636	-
1920	Refundable deposits	12,317	1	10,585	1
1975	Net defined benefit asset	6,249	1	-	-
1990	Other non-current assets (Note 6(2) and (11))	14,537	1	22,245	2
15XX	Total non-current assets	<u>438,465</u>	<u>39</u>	<u>554,962</u>	<u>47</u>
TOTAL		<u>\$ 1,117,926</u>	<u>100</u>	<u>\$ 1,173,039</u>	<u>100</u>

(Continued)

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LIABILITIES AND EQUITY		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT LIABILITIES					
2100	Short-term borrowings (Note 6(12))	\$ 100,000	9	\$ 228,880	20
2130	Contract liabilities - current (Note 6(17))	8,853	1	8,909	1
2150	Notes payable, net	1,615	-	6,563	1
2170	Accounts payable, net	78,249	7	57,630	5
2200	Other payables (Note 6(13))	65,791	6	62,720	5
2220	Other payables to related parties (Note 7(2))	-	-	15,000	1
2230	Current tax liabilities	-	-	1,206	-
2280	Current lease liabilities (Note 6(9))	37,774	4	37,182	3
2320	Current portion of long-term borrowings (Note 6(14))	25,608	2	31,005	3
2300	Other current liabilities	2,449	-	1,206	-
21XX	Total current liabilities	<u>320,339</u>	<u>29</u>	<u>450,301</u>	<u>39</u>
NON-CURRENT LIABILITIES					
2540	Long-term borrowings (Note 6(14))	64,398	6	75,906	7
2580	Non-current lease liabilities (Note 6(9))	181,497	16	219,270	18
2640	Net defined benefit liabilities (Note 6(15))	-	-	12,769	1
2645	Other non-current liabilities	1,613	-	1,603	-
25XX	Total non-current liabilities	<u>247,508</u>	<u>22</u>	<u>309,548</u>	<u>26</u>
	Total liabilities	<u>567,847</u>	<u>51</u>	<u>759,849</u>	<u>65</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital (Note 6(16))					
3110	Ordinary shares	695,142	62	695,142	59
3100	Total share capital	<u>695,142</u>	<u>62</u>	<u>695,142</u>	<u>59</u>
Retained earnings (Note 6(16))					
3310	Legal reserve	1,268	-	1,268	-
3320	Special reserve	3,259	-	3,259	-
3350	Unappropriated earnings	(159,879)	(14)	(274,404)	(23)
3300	Total retained earnings	<u>(155,352)</u>	<u>(14)</u>	<u>(269,877)</u>	<u>(23)</u>
Other equity (Note 6(16))					
3410	Exchange differences on translating the financial statements of foreign operations	(333)	-	(234)	-
3421	Unrealized valuation profit or loss of financial assets at fair value through other comprehensive income	-	-	(22,839)	(2)
3400	Total other equity	<u>(333)</u>	<u>-</u>	<u>(23,073)</u>	<u>(2)</u>
	Total equity attributable to owners of the Company	<u>539,457</u>	<u>48</u>	<u>402,192</u>	<u>34</u>
31XX	Non-controlling interests (Note 6(16))	10,622	1	10,998	1
36XX	Total equity	<u>550,079</u>	<u>49</u>	<u>413,190</u>	<u>35</u>
3XXX	TOTAL	<u>\$ 1,117,926</u>	<u>100</u>	<u>\$ 1,173,039</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen Min Chun

CHIP HOPE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan Dollars, except earnings per share)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
4000 OPERATING REVENUE (Note 6(17))	\$ 888,283	100	\$ 1,159,106	100
5000 OPERATING COSTS(Notes 6(3) 、(21) and (22))	<u>(610,117)</u>	<u>(69)</u>	<u>(975,051)</u>	<u>(84)</u>
5900 GROSS PROFIT	<u>278,166</u>	<u>31</u>	<u>184,055</u>	<u>16</u>
6000 OPERATING EXPENSES(Note 6(21) and (22))				
6100 Selling and marketing expenses	(213,846)	(24)	(200,860)	(17)
6200 General and administrative expenses	(30,148)	(3)	(36,747)	(3)
6300 Research and development expenses	(18,216)	(2)	-	-
6450 Expected credit loss (gain)	4,307	-	(50,965)	(5)
Total operating expenses	<u>(257,903)</u>	<u>(29)</u>	<u>(288,572)</u>	<u>(25)</u>
6900 PROFIT FROM OPERATIONS	<u>20,263</u>	<u>2</u>	<u>(104,517)</u>	<u>(9)</u>
7000 NON-OPERATING INCOME AND EXPENSES				
7100 Interest income	721	-	318	-
7010 Other income (Note 6(18))	744	-	36,380	3
7020 Other gains and losses (Note 6(19))	105,932	12	144,641	12
7050 Finance costs (Note 6(20))	(13,827)	(2)	(16,256)	(1)
7060 Share of profit or loss of associates and joint ventures accounted for using equity method (Note 6(7))	-	-	449	-
Total non-operating income and expenses	<u>93,570</u>	<u>11</u>	<u>165,532</u>	<u>14</u>
7900 INCOME BEFORE INCOME TAX	113,833	13	61,015	5
7950 INCOME TAX EXPENSE (Note 6(24))	<u>(210)</u>	<u>-</u>	<u>(7,460)</u>	<u>-</u>
8200 NET INCOME	<u>113,623</u>	<u>13</u>	<u>53,555</u>	<u>5</u>
8300 OTHER COMPREHENSIVE INCOME/(LOSS)				
8310 Items that will not be reclassified subsequently to profit or loss:				
8311 Remeasurement of defined benefit plans	2,148	-	1,796	-
8316 Unrealized valuation profit or loss of investment in equity instruments measured at fair value through other comprehensive income	25,727	3	(22,839)	(2)
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	<u>27,875</u>	<u>3</u>	<u>(21,043)</u>	<u>(2)</u>
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translating the financial statements of foreign operations	(123)	-	6,740	-
8399 Income tax relating to items that may be reclassified subsequently to profit or loss	24	-	(1,347)	-
	<u>(99)</u>	<u>-</u>	<u>5,393</u>	<u>-</u>
Other comprehensive income, net of income tax	<u>27,776</u>	<u>3</u>	<u>(15,650)</u>	<u>-</u>
8500 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 141,399</u>	<u>16</u>	<u>\$ 37,905</u>	<u>3</u>
Net income (loss) attributable to:				
8610 Owners of the Company	\$ 109,489		\$ 57,406	
8620 Non-controlling interests	4,134		(3,851)	
	<u>\$ 113,623</u>		<u>\$ 53,555</u>	
Comprehensive income attributable to:				
8710 Owners of the Company	\$ 137,265		\$ 41,756	
8720 Non-controlling interests	4,134		(3,851)	
	<u>\$ 141,399</u>		<u>\$ 37,905</u>	
EARNINGS PER SHARE (Note 6(25))				
9750 Basic	<u>\$ 1.58</u>		<u>\$ 0.83</u>	
9850 Diluted	<u>\$ 1.58</u>		<u>\$ 0.83</u>	

(The accompanying notes are an integral part of the consolidated financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen Min Chun

CHIP HOPE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of new taiwan dollars)

		Equity Attributable to Owners of the Company								Non-controlling interests	Total Equity
		Retained Earnings				Other Equity		Unrealized valuation profit or loss of financial assets at fair value through other comprehens	Total		
		Share Capital	Legal Reserve	Special Reserve	Accumulated deficit	Exchange Differences on Translating the Financial Statements of Foreign Operations					
A1	BALANCE AT JANUARY 1, 2022	\$ 695,142	\$ 1,268	\$ 3,259	\$ (333,606)	\$ (5,627)	\$ -	\$ 360,436	\$ 14,847	\$ 375,283	
D1	Net income in 2022	-	-	-	57,406	-	-	57,406	(3,851)	53,555	
D3	Other comprehensive income in 2022, net of income tax	-	-	-	1,796	5,393	(22,839)	(15,650)	-	(15,650)	
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	2	2	
Z1	BALANCE AT DECEMBER 31, 2022	<u>\$ 695,142</u>	<u>\$ 1,268</u>	<u>\$ 3,259</u>	<u>\$ (274,404)</u>	<u>\$ (234)</u>	<u>\$ (22,839)</u>	<u>\$ 402,192</u>	<u>\$ 10,998</u>	<u>\$ 413,190</u>	
A1	BALANCE AT JANUARY 1, 2023	\$ 695,142	\$ 1,268	\$ 3,259	\$ (274,404)	\$ (234)	\$ (22,839)	\$ 402,192	\$ 10,998	\$ 413,190	
D1	Net income in 2023	-	-	-	109,489	-	-	109,489	4,134	113,623	
D3	Other comprehensive income in 2023, net of income tax	-	-	-	2,148	(99)	25,727	27,776	-	27,776	
M3	Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	(4,510)	(4,510)	
Q3	Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	2,888	-	(2,888)	-	-	-	
Z1	BALANCE AT DECEMBER 31, 2023	<u>\$ 695,142</u>	<u>\$ 1,268</u>	<u>\$ 3,259</u>	<u>\$ (159,879)</u>	<u>\$ (333)</u>	<u>\$ -</u>	<u>\$ 539,457</u>	<u>\$ 10,622</u>	<u>\$ 550,079</u>	

(The accompanying notes are an integral part of the consolidated financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen Min Chun

CHIP HOPE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of new taiwan dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	\$ 113,833	\$ 61,015
A20010	Adjustments for:	
A20100	70,678	56,446
A20200	44,514	33,707
A20300	(4,307)	50,965
A20900	13,827	16,256
A212000	(721)	(318)
A22300	-	(449)
A22500	(1,266)	(102,417)
A29900	(110,568)	-
A23200	-	(30,092)
A23700	-	38,110
A23800	(46,974)	-
A24100	2,223	(6,857)
A29900	-	8,617
A29900	-	10
A30000	Changes in operating assets and liabilities	
A31130	-	16
A31150	58,041	(102,943)
A31180	(883)	(18)
A31200	183,533	(11,716)
A31230	(43,502)	2,720
A32125	(26)	(891)
A32130	(4,948)	4,256
A32150	31,646	39,681
A32180	25,776	11,681
A32190	-	(189)
A32230	1,252	(1,422)
A32240	(16,870)	(9,362)
A33000	315,258	56,806
A33100	721	318
A33300	(14,710)	(15,619)
A33500	(1,459)	(6,274)
AAAA	299,810	35,231

(Continued)

(Continued from previous page)

	2023	2022	
CASH FLOWS FROM INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	\$ -	\$ (35,737)
B01900	Proceeds from disposal of associates' equity accounted for using the equity method	-	146,530
B02300	Proceeds from disposal of subsidiaries	15,668	-
B02700	Acquisition of property, plant, and equipment	(28,788)	(89,128)
B02800	Proceeds from disposal of property, plant, and equipment	4,945	187,225
B03700	Increase in refundable deposits	(3,645)	(1,515)
B03800	Decrease in refundable deposits	1,547	-
B04500	Acquisition of intangible assets	(15,536)	(30,651)
B06500	Increase in other financial assets	-	(11,676)
B06600	Decreases in other financial assets	26,506	-
B06700	Increase in other non-current assets	(5,090)	(15,799)
B07100	Increase/(decrease) in prepayments for equipment	1,849	(5,325)
BBBB	Net cash generated from/(used in) investing activities	(2,544)	143,924
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Increase in short-term loans	431,988	-
C00200	Decrease in short-term loans	(560,868)	(191,024)
C01600	Proceeds from long-term borrowings	14,887	53,686
C01700	Repayments of long-term borrowings	(31,792)	(27,635)
C03000	Increase in guarantee deposits received	10	52
C03700	Increase in other payables to related parties	-	15,000
C03800	Decrease in other payables to related parties	(15,000)	-
C04020	Payments of lease liabilities	(37,094)	(33,907)
CCCC	Net cash generated from/(used in) financing activities	(197,869)	(183,828)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(2,057)	5,555
EEEE	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	97,340	882
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	99,940	99,058
E00200	CASH AND CASH EQUIVALENTS AT THE END OF YEAR	\$ 197,280	\$ 99,940

(The accompanying notes are an integral part of the consolidated financial statements.)
(With Benison Associated CPA's Firm auditor's report dated February 26, 2024)

Chairman: Cheng, Yuan-Ching

Manager: Liu, Yi-Chang

Accounting Supervisor: Chen Min Chun

Chip Hope Co., Ltd
2023 Deficit Appropriation Report

Unit: in thousand NT\$

Beginning balance	(274,404,331)
Add: Remeasurement of defined benefit plan recognized in retained earnings	2,148,395
Disposal investment in equity instruments measured at fair value through other comprehensive income	2,887,940
Net income after tax of the year	109,488,877
Ending accumulated deficit	(159,879,119)

Chairman:
Yuan-Ching Chen

Manager:
Yi-Chang Liu

Chief Accounting Officer:
Min-Chun Chen

Chip Hope Co., Ltd
 "Operating Procedures of Endorsement / Guarantees"
 Comparison Table of Amendments

Articles after the amendment	Articles before the amendment	Explanation
<p>Article 4</p> <p>The company's external endorsement and guarantee are limited to <u>fifty percent</u> of the net value of the company's most recently audited or reviewed financial statements by certified public accountants. For endorsement and guarantee to a single enterprise, the amount is limited to <u>twenty percent</u> of the net value of the company's most recently audited or reviewed financial statements by certified public accountants.</p> <p>The total endorsement or guarantee provided by the company and its subsidiaries to others shall not exceed <u>fifty percent</u> of the company's net worth.</p> <p>The amount of endorsement and guarantee to a single enterprise shall not exceed <u>twenty percent</u> percent of the net value of the company's most recently audited or reviewed financial statements by certified public accountants.</p>	<p>Article 4</p> <p>The total endorsement and guarantee amount provided by the company to external parties shall be limited to <u>ten percent</u> of the net value of the company's most recently audited or reviewed financial statements by certified public accountants.</p> <p>The amount of endorsement and guarantee to a single enterprise shall not exceed <u>five percent</u> of the net value of the company's most recently audited or reviewed financial statements by certified public accountants.</p> <p>The total endorsement or guarantee provided by the company to external parties shall be limited to <u>ten percent</u> of the net value of the company's most recently audited or reviewed financial statements by certified public accountants.</p> <p>The endorsement or guarantee provided by the company and its subsidiaries to a single enterprise shall not exceed <u>five percent</u> of the company's net worth.</p>	<p>In response to the future operational needs of the company, the articles have been amended.</p>

Chip Hope Co., Ltd
 "Procedures for Acquisition or Disposal of Assets"
 Comparison Table of Amendments

Articles after the amendment	Articles before the amendment	Explanation
<p>Article 5 一、 Authorization Limits and Levels (一) Securities: The General Manager is authorized to conduct transactions within the limits specified in Article 7 of this procedure. If the transactions meet the disclosure criteria outlined in Article 6, they must be reported to the Chairman for approval on the following day and submitted for retroactive approval by the latest Board of Directors' meeting. However, if acquiring or disposing of securities such as stocks, corporate bonds, or privately placed securities outside of centralized trading markets or over-the-counter trading centers, and if the transaction amount meets the disclosure criteria, it must first obtain the consent of more than half of the members of the Audit Committee and then be approved by the Board of Directors before proceeding.</p>	<p>Article 5 一、 Authorization Limits and Levels (一) Securities: The General Manager is authorized to conduct transactions within the limits specified in Article 7 of this procedure. If the transactions meet the disclosure criteria outlined in Article 6, they must be reported to the Chairman for approval on the following day and submitted for retroactive approval by the latest Board of Directors' meeting. However, if acquiring or disposing of securities such as stocks, corporate bonds, or privately placed securities outside of centralized trading markets or over-the-counter trading centers, and if the transaction amount meets the disclosure criteria, it must first obtain the consent of more than half of the members of the Audit Committee and then be approved by the Board of Directors before proceeding. <u>Additionally, investments in mainland China require approval from the shareholders' meeting or authorization from the Board of Directors, and must be applied for approval from the Investment Review Committee of the Ministry of Economic Affairs before proceeding.</u></p>	<p>The articles are revised to meet the operational needs of company.</p>
<p>Article 12 二、 The acquisition or disposal of assets by the Company shall be subject to the approval of more than half of all members of the Audit Committee in accordance with this procedure or other legal provisions, and shall be submitted to the Board of Directors for approval <u>before being implemented, and shall be implemented after obtaining the consent of the shareholders' meeting, and the same shall apply to amendments.</u> The opinions of each independent director shall be fully considered, and their opinions and reasons for agreement or disagreement shall be recorded in the meeting minutes. For significant asset or derivative</p>	<p>Article 12 二、 The acquisition or disposal of assets by the Company shall require the approval of more than half of all members of the Audit Committee in accordance with this procedure or other legal provisions, and shall be submitted to the Board of Directors for approval. The opinions of each independent director shall be fully considered, and their opinions and reasons for agreement or disagreement shall be recorded in the meeting minutes. For significant asset or derivative transactions, the approval of more than half of all members of the Audit Committee is required, and shall be decided upon by the</p>	<p>additional text</p>

Articles after the amendment	Articles before the amendment	Explanation
<p>transactions, the approval of more than half of all members of the Audit Committee is required, and after the resolution of the Board of Directors, <u>it shall be submitted to the shareholders' meeting for approval before implementation, and the same shall apply to amendments.</u> If the aforementioned actions are not approved by more than half of all members of the Audit Committee, they may be carried out with the consent of more than two-thirds of all directors, and the decision of the Audit Committee shall be recorded in the minutes of the board of directors' meeting.</p>	<p>Board of Directors. If the aforementioned actions are not approved by more than half of all members of the Audit Committee, they may be carried out with the consent of more than two-thirds of all directors, and the decision of the Audit Committee shall be recorded in the minutes of the board of directors' meeting.</p>	

Chip Hope Co., Ltd
 "Articles of Incorporation"
 Comparison Table of Amendments

Articles after the amendment	Articles before the amendment	Explanation
<p>Article 7</p> <p>The company's treasury stocks may be transferred to employees at a price lower than the average repurchase price, provided that a majority of the total issued shares represented by the shareholders' meeting attend, and a two-thirds majority of attending shareholders vote in favor.</p> <p><u>The transfer of treasury stocks acquired by the company in accordance with the law may include employees of affiliated companies who meet certain conditions, which are authorized by the board of directors to establish.</u></p>	<p>Article 7</p> <p>The company's treasury stocks may be transferred to employees at a price lower than the actual average repurchase price, provided that a majority of the total issued shares represented by the shareholders' meeting attend, and a two-thirds majority of attending shareholders vote in favor.</p>	<p>The articles are revised to meet the operational needs of company.</p>
<p>Article 25</p> <p>The Articles of Incorporation was established on December 2, 1993. (The middle of the article is omitted)</p> <p><u>The 24rd amendment was made on May 16, 2024.</u></p>	<p>Article 25</p> <p>The Articles of Incorporation was established on December 2, 1993. (The rest of the article is omitted)</p>	<p>Added the date of the 24rd amendment.</p>

Attachment 8

Title	Nominees	Educational Qualifications	Work Experience	Currently holding positions concurrently in this company and other companies	Shareholding
Directors	Jia-Jun Tang represents Tung Chi Investment Ltd	Zhuang Jing Vocational high school	1. Director General of Ding Yue Ji Pin Co., Ltd. 2. Executive Director of Hua Sushi Co., Ltd.	1. Chairman of Jumbo Entertainment Development Limited Company	3,180,000
Directors	Yi-Chang Liu represents Tung Chi Investment Co., Ltd	Master's degree from University of California, Los Angeles (UCLA)	1. General Manager of Mobai Digital Co., Ltd. 2. General Manager of Taiwan Pei Ching Co., Ltd.	1. General Manager of Chip Hope Co., Ltd. 2. Corporate Director Representative of Chip Hope Co., Ltd. 3. Chairman of Chip Hope Technology (Shenzhen) Co., Ltd.	3,180,000
Directors	Jiaxunjin Technology Co., Ltd.	N/A	N/A	N/A	500,000
Independent Director	Jing-Jun Chen	1. Credit Program in Civil Engineering Technician at Chinese Culture University 2. Master's in Leisure Business Management from Chaoyang University of Technology 3. Bachelor's in Architecture from Chaoyang University of Technology	1. Project Manager at Chen Ming Chun Architectural Firm 2. Executive Supervisor of Tainan Jiaobanai Cultural Development Association 3. Chairman of Green Workshop Innovation Consultants Co., Ltd.	1. Chairman of New Horizon Housing Engineering Consultants Ltd. 2. Executive Supervisor of Tainan Jiaobanai Cultural Development Association 3. Director of Tainan City Landscape Engineering Commercial Guild	0
Independent Director	Yong-Sheng Xu	1. Ph.D. in Accounting from National Taiwan University 2. Master's in Business Administration from Tunghai University	1. Director of the Department of Accounting at National Chung Hsing University 2. Associate Professor in the	1. Joint Professor of Accounting and Information Management at National Chung Hsing University 2. Independent Director of Guoguang	0

Title	Nominees	Educational Qualifications	Work Experience	Currently holding positions concurrently in this company and other companies	Shareholding
		3.Bachelor's in Industrial Engineering from Chung Yuan Christian University	Department of Accounting at National Taichung University of Science and Technology 3.Independent Director of Yonghong Advanced Materials Co., Ltd.	Biotechnology Co., Ltd. 3.Independent Director of GLOBE UNION INDUSTRIAL CORP 4.Listing Review Committee Member of Taiwan Stock Exchange 5.Over-the-Counter Listing Review Committee Member of Taipei Exchange	
Independent Director	Xiao-Yue Cao	1.Ph.D. in Art Education and Administration from National Taiwan Normal University 2.Master's in Western Art History from National Taiwan Normal University 3.Bachelor's in Art and Craft Education from National Taichung Teachers College (now National Taichung University of Education)	1.Visiting Scholar at Pratt Institute/IVLP, New York, USA 2.Director of Guangda Cultural and Educational Foundation 3.Vice Chairman of Chinese Graphic Design Association 4.Director of Taiwan Association of Science and Technology Arts Education	1.Full-time Professor, Department Head, and Director of Institute at the Department of Interaction Design, National Taipei University of Technology 2.Director of Metauniverse XR Technology Research and Development Center 3.Advisory Committee Member of Digital Opportunity Center, Ministry of Education 4.Vice Chairman of Metaverse Alliance 5.Director of Chinese Creative Development Association	0
Independent Director	Wei-Fang Chen	1.Master's in Hospitality Management from New York University 2.Bachelor's in Economics from National Chengchi University	1.Lecturer in Tourism and Leisure Management Department at Ling Tung University of Science and Technology	1. Lecturer in Tourism and Leisure Management Department at Ling Tung University of Science and Technology 2.Host of English Lifestyle Education Program at National Education Radio, Taiwan 3.International Director of Global Chinese Business Association	0

Appendix 1

Chip Hope Co., Ltd

Status of Directors' Share Ownership

Effective date: March 18, 2024

Position	Name	Date Elected	Shareholding while Elected			Current Shareholding			Remark
			Type	Number of Shares	Shareholding Ratio (%)	Type	Number of Shares	Shareholding Ratio (%)	
Chairman	Yuan -Ching Cheng	2021.08.18	Ordinary shares	4,784,483	6.88%	Ordinary shares	2,394,483	3.44%	-
Director	Yueh-Min Cheng	2021.08.18	Ordinary shares	2,887,037	4.15%	Ordinary shares	1,447,037	2.08%	-
Director	Tung Chi Investment Co., Ltd	2021.08.18	Ordinary shares	3,180,000	4.57%	Ordinary shares	3,180,000	4.57%	-
Independent director	Ya-Ling Hsu	2021.08.18	Ordinary shares	10,000	0.01%	Ordinary shares	0	0.00%	-
Independent director	Wen-Heng King	2021.08.18	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	-
Independent director	Ching-Feng Tsai	2021.08.18	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	-
Independent director	Nan-Hong Jiang	2023.05.30	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	-
Total			Ordinary shares	10,861,520		Ordinary shares	7,021,520		

Total shares outstanding on April 1, 2024: 69,514,149 shares.

Note: Since the number of independent directors exceeds half of the total number of directors' seats in the company, and an audit committee has been established, the requirement for all directors and supervisors to hold a statutory number of shares does not apply.

Chip Hope Co., Ltd

Rules of Procedures for Shareholders' Meeting

Article 1 In order to establish a sound governance system for shareholders' meetings of the Company, enhance the supervisory function and strengthen the management function, the Rule was formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

Article 2 Unless otherwise provided by law, regulation or the Articles of Association of the Company, the provisions of the Rules shall apply.

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

Unless otherwise provided by law or regulation, the Company's shareholders' meetings are convened by the Board.

Any changes in the method of convening the shareholders' meeting of the Company shall be resolved by the Board of Directors and shall be made no later than the issuance of the notice of the shareholders' meeting.

The Company shall prepare electronic versions of the shareholders' meeting notice, proxy forms, proposal and explanatory materials relating to ratification, matters for discussion, election or dismissal of directors, and upload them to the Market Observation Post System 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The shareholders' meeting handbook and supplementary materials shall be prepared as electronic files and transmitted to the MOPS no later than 21 days before the shareholders' meeting or 15 days before the extraordinary shareholders' meeting. However, if the Company's paid-in capital reaches more than NT\$ 10 billion on the end date of the latest fiscal year or if the combined foreign and Mainland Chinese shareholding ratio recorded in the shareholder roster for the latest fiscal year's shareholders' meeting is over 30%, the electronic files shall be transmitted no later than 30 days before the shareholders' meeting. 15 days prior to the shareholders' meeting, the meeting handbook and supplementary materials shall be fully prepared for shareholders to access at any time, and display them at the Company and the professional stock affair agency appointed by the Company.

The meeting handbook and supplementary materials mentioned above shall be provided to shareholders in the following forms on the day of the meeting:

- I. If the meeting is held physically, the materials shall be printed out and provided to shareholders on site.
- II. If the meeting is convened in hybrid mode (physical meeting with video conferencing), paper-form materials shall be delivered on site, and electronic form shall be provided on video conferencing platform.
- III. If the meeting is convened online, electronic files shall be provided on video conferencing platform.

The notice and announcement shall state the reasons for convening the meeting. The notice may be given by electronic transmission, after obtaining prior consent from the counterparty.

Election or dismissal of directors, alteration of the articles of association, capital reduction, application for cease of public offering, waive the non-competition clause of directors, capital increase out of earnings or capital reserves, dissolution, merger, spin-off or any matters as set forth in Paragraph 1 of Article 185, shall be stated in the reasons for convening the meeting and explain the major content. The above shall not be raised by way of Extempore Motions.

If the re-election of all directors and the start date of the tenure have been stated in the reasons for convening the shareholders' meeting, the said date shall not be changed by way of Extempore Motions or other means at the same meeting.

Shareholders who hold more than one (1) percent of the total number of issued shares may put forward proposals at general shareholders' meeting to the extent of one proposal. Any proposal exceeding one shall not be included in the agenda. However, the board of directors shall still include the proposal if the shareholders' proposals intend to encourage the Company to act in the best interests of the public or fulfilling its social responsibilities. If any of the circumstances provided in the subparagraphs of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board may exclude it from the agenda.

Prior to the book closure date prior to the convening of the general shareholders' meeting, the Company shall announce that it will accept shareholders' proposals, the acceptance method either in written or electronic format, the place and the period for acceptance. The acceptance period shall not be less than 10 days.

A shareholder's proposal is limited to 300 words and proposals containing more than 300 words will not be included in the agenda. The proposing shareholder shall attend the general shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

The Company shall, prior to the date of the notice of the shareholders' meeting, inform the proposing shareholders of the proposal processing results and list in the notice of the meeting the proposals conforming to the requirements of this Article. For shareholders' proposals not included in the agenda, the Board shall explain the reasons for exclusion at the shareholders' meeting.

Article 4

A shareholder may appoint a proxy to attend a shareholders' meeting on his/her behalf by executing a power of attorney issued by the Company stating the scope of authorization in the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and such written proxy shall arrive at the Company no later than 5 days prior to the date of the shareholders' meeting. If there are duplicate proxies, the one that first arrives the Company shall prevail unless a declaration is made to cancel the previous proxy.

After the power of attorney has arrived at the Company, if a shareholder intends to attend the Shareholders' Meeting in person or intends to exercise his or her voting right by correspondence or electronic means, a notice in writing shall be sent to the Company to revoke the proxy two days prior to the date of the Shareholders' Meeting. If the notice failed to arrive at the Company within the

said time, the voting rights exercised by the proxy in attendance shall prevail.

After submitting a proxy form to the Company, if a shareholder wishes to attend the shareholders' meeting via video conferencing, they shall notify the Company in writing of the revocation of the proxy no later than two days before the shareholders' meeting. If the revocation is made after the deadline, the proxy shall attend the meeting and exercise the voting rights on behalf of the shareholder.

Article 5 The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for holding such a meeting, and the meeting shall begin no earlier than 9 a.m. and no later than 3 p.m. The opinions of the independent directors shall be duly considered in determining the place and time of a shareholders' meeting.

When the Company convene an online shareholders' meeting, the meeting venue is not restricted to the aforementioned description.

Article 6 (Preparation of documents such as the attendance book)

The Company shall state the registration time, registration location for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders") in the meeting notice and any other matters that need to be noted.

The registration time shall start at least 30 minutes prior to the shareholders' meeting; the registration location shall be clearly labeled and a sufficient amount of manpower shall be deployed; For online meeting, registration shall also start 30 minutes prior to the meeting on the video conferencing platform. Shareholders who complete the registration procedure are deemed as attending the meeting in person.

Shareholders shall carry attendance pass, registration form, or other necessary document to attend the meeting. The Company shall not arbitrarily require shareholders to provide additional proof of identity beyond the documents required for attendance. For solicitors who handle solicitation matters, ID cards shall be carried for identity check.

The Company shall furnish the attending shareholders with an attendance book to sign in, or the attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips and other meeting materials. In case of election of directors, separate ballots shall be furnished.

When the government or a legal person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. A legal person may only designate one person as proxy to attend the meeting.

For shareholders' meeting convened online, the Company shall disclose meeting handbook, annual report, and other relevant materials on the video conferencing platform at least 30 minutes prior to the meeting. The information shall be disclosed until the meeting ends.

Article 6-1 (Items listed in the meeting notice for online shareholders' meetings)

The following information shall be listed on the meeting notice when the Company plans to convene an online shareholders' meeting.

- I. How shareholders attend the meeting and how they exercise their rights.
- II. In the event of a natural disaster, unforeseen circumstances, or other force majeure that causes obstacles in accessing the video conferencing platform or participating via video conferencing, the following handling methods shall be adopted:
 - (I) If the obstacles mentioned above cannot be resolved, and the meeting needs to be postponed or continued, the new date and time for the meeting shall be determined.
 - (II) Shareholders who did not register to participate via video conferencing in the original shareholders' meeting shall not be allowed to participate in any postponed or continued meetings via video conferencing.
 - (III) In the event of a hybrid shareholders' meeting, if the video conference cannot be continued, the meeting shall continue by deducting the shares of those who participated via video conferencing. If the total number of shares present still reaches the legal quorum required for the meeting, the meeting shall proceed, and those who participated via video conferencing shall be considered present and counted towards the total number of shares present. However, their votes on all matters to be considered at the meeting shall be deemed to have been abstained.
 - (IV) In the case where all the agenda items have been announced with their results and no extempore motion has been raised, the way to handle this situation shall be included.
- III. When holding a virtual shareholders' meeting, appropriate alternative measures for shareholders who have difficulties participating in the meeting via video should be stated.

Article 7

If a shareholders' meeting is convened by the Board, the chairman shall be the chairman of the Board, when the chairman is on leave or is unable to exercise his power and authority for any reason, the vice chairman shall act as the chairman of the Board, and if there is no vice chairman or vice chairman is also on leave or is unable to exercise his power and authority for any reason, the chairman shall designate one managing director to act as the chairman. In the case of an absence of Managing Directors, one of the Directors is designated to act on his behalf, and in the absence of such a designation, the Managing Director or the Directors shall elect from among themselves a substitute.

A managing director or a director whose term of office is more than six months and who understands the financial and business conditions of the Company shall be the afore-mentioned Chairman of the Board. The same shall be true for a representative of a legal person Director.

It is advisable for a shareholders' meeting convened by the Board to be chaired by the chairman of the Board in person and attended by more than half of the Directors and at least one member of each functional committee on behalf of the Board, with attendance recorded in the minutes of the shareholders' meeting.

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.

If there is more than one person who has called a shareholders' meeting, such persons shall elect one from among themselves to act as the chairperson at such shareholders' meeting.

The Company may invite attorneys, certified public accountants or relevant persons to attend a shareholders' meeting.

Article 8 (The audio or video recording of the entire process of shareholders' meeting)

The Company shall make audio or video recording of the entire process of a shareholders' meeting, including the registration of shareholder attendance, process of the meeting, voting and counting of vote.

The recording shall be preserved for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, it shall be retained until the conclusion of the litigation.

If the shareholders' meeting is held via video conference, the Company shall record and preserve information regarding the shareholders' registration, registration, check-in, questioning, voting, and vote counting. The entire video conference shall be recorded continuously and without interruption.

The data, audio and video recordings mentioned in the preceding paragraph shall be properly preserved during the retention period by the Company. The audio and video recordings shall be provided to the agent in charge of the video conference affairs for safekeeping.

Article 9 Attendance at shareholders' meetings shall be calculated on the basis of shares. The number of attending shares shall be calculated by adding up the shares represented by the signatures in the attendance book or the registration cards submitted and the shares reported through the video conferencing platform, as well as the shares voted in writing or electronically.

The chairperson should announce the start of the meeting and disclose the number of shares without voting rights and the total number of shares present at the same time when the meeting time has arrived.

If the number of shares represented by the shareholders present at the meeting fails to exceed half of the total issued and outstanding shares of the Company (the "Quorum"), the chairperson may announce that the meeting is postponed. The postponements shall be limited to two times and the total time postponed shall not exceed one hour. If the second adjournment is still unable to reach one-third of the total issued shares represented by shareholders attending the meeting, the chairperson shall declare the adjournment of the meeting. In the case of a video conference for the shareholders' meeting, the Company should also announce the adjournment of the meeting on the video conference platform.

If there are still representatives of shareholders who hold more than one-third of the total issued shares present at the meeting after the above-mentioned adjournment for the second time, they may pass a fictitious resolution in accordance with the first paragraph of Article 175 of the Company Act and notify all shareholders of the fictitious resolution to convene a shareholders' meeting within one month. If a shareholders' meeting is held by video

conference, shareholders who wish to attend via video conference should re-register with the Company in accordance with Article 6.

If the number of shares represented by the shareholders present at the meeting exceeds half of the total issued and outstanding shares of the Company before the end of the meeting, the tentative resolution may be re-proposed by the chairperson to be passed in the shareholders' meeting in accordance with Article 174 of the Company Act.

Article 10 If a shareholders' meeting is called by the Board, the agenda of such meeting shall be prepared by the Board and such meeting shall proceed in accordance with the agenda. No modification to the agenda shall be made unless shareholders resolve otherwise at such shareholders' meeting.

The preceding paragraph shall apply mutatis mutandis in cases where a shareholders' meeting is called by any person entitled to call the meeting other than the Board.

Before the procedure set forth in the agenda prepared pursuant to the preceding two paragraphs (including the extempore motions) has completely ended, the chairperson may not adjourn the meeting unless shareholders resolve otherwise at such meeting. In the event that the chairperson adjourns the meeting in violation of the Rules, shareholders, by a majority of votes represented by the attending shareholders, may designate one person as chairperson to continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders and shall declare the discussion closed, put forward for voting and arrange for an adequate time for voting.

Article 11 (Shareholders' Statement)

When a shareholder present at a shareholders' meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder account number (or the number of attendance card) and the account name of the shareholder. The chairperson should decide the sequence of speeches by shareholders.

If any shareholder present at a shareholders' meeting submits a speech note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the actual speech of a shareholder are inconsistent with the contents of the speech note, the contents of the actual speech shall prevail.

Unless otherwise permitted by the chairperson, each shareholder shall not speak more than two times (each time not exceeding five minutes) for each proposal. In case the speech of any shareholder violates the preceding paragraph or exceeds the scope of the proposal for current discussion, the chairperson may stop the shareholder from continuing delivering the speech.

When an attending shareholder delivers a speech, unless otherwise permitted by the chairperson and the shareholder who is making the speech, no

shareholder may interrupt the speech. If any shareholder violates this provision, the chairperson shall intervene to stop such interruption.

If a juristic shareholder designates two or more representatives to attend the shareholders' meeting, only one representative can speak for each proposal.

After the speech of a shareholder, the chairperson may respond by himself or appoint an appropriate person to respond.

For a shareholder meeting conducted via video conference, shareholders who participate via video conference may submit written questions on the video conference platform from the time the chairperson announces the start of the meeting until the announcement of the adjournment of the meeting. Each question on each agenda item may be submitted no more than twice, with a limit of 200 Chinese characters per submission. This provision does not apply to the provisions of the first to fifth paragraphs.

Article 12 (Calculation of voting shares, avoidance system)

Voting at a shareholders' meeting shall be calculated on the basis of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by non-voting shareholders shall not be calculated as part of the total number of shares issued.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship will prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as proxy for any other shareholder.

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

Except for a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights represented by that proxy shall not exceed 3% of the voting rights represented by the total number of issued shares, and the voting rights in excess of that percentage shall not be counted.

Article 13 Shareholders have one voting right per share; However, this restriction does not apply to restrictions or non-voting rights under Paragraph 2, Article 179 of the Company Act.

Shareholders' meetings of the Company shall be held in electronic form and may be conducted in writing to exercise their voting rights. When voting rights are exercised in writing or electronically, the method of exercise shall be specified in the notice convening the shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, in respect of the extempore motions and amendments to the original proposals of that meeting, the Company shall be deemed to have waived his/her rights and it is therefore advisable that the Company avoid the submission of extempore motions and

amendments to the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver the intent to the Company 2 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.

A shareholder who intends to attend the shareholders' meeting in person or via video conferencing after exercising his or her voting rights by correspondence or electronic means shall, 2 days before the date of the shareholders' meeting, withdraw the meaning of the exercise of the voting rights referred to in the preceding paragraph in the same manner as the exercise of the voting rights. In the case of a late cancellation, the voting rights in writing or electronically are exercised. When a shareholder has exercised voting rights by correspondence or electronic means and by appointing a proxy to attend the meeting, the voting rights exercised by the proxy at the meeting shall prevail.

Except as otherwise provided in the Company Law and the Articles of Association, the resolutions shall be approved by a majority of the voting rights represented by the attending shareholders.

At the time of voting, the Chairman or his designated person shall announce the total number of voting rights represented by the attending shareholders on a case-by-case basis and the shareholders shall vote on a case-by-case basis, and the results of the shareholders' approval, opposition and waiver shall be uploaded to the MOPS the same day after the shareholders' meeting.

When there is an amendment or an alternative to a proposal, the chairman 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.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for voting on motions or elections shall be conducted at an open space at the meeting venue and the results, including weights, shall be announced immediately after counting and recorded.

For a virtual shareholders' meeting held by the Company, shareholders participating through video conferencing should cast their votes on the proposals and election(s) through the video conferencing platform after the Chairperson announces the opening of the meeting. They should complete the voting before the Chairperson announces the end of the voting. Failure to do so will be deemed as an abstention.

For virtual shareholders' meeting, after the chairperson announces the end of the voting period, the votes shall be counted all at once, and the results of the voting and election shall be announced.

If the Company holds a hybrid shareholders' meeting, shareholders who have registered to attend the meeting via video conferencing according to Article 6 and wish to attend the meeting in person shall cancel their registration in the same manner as their registration two days before the meeting. Those who fail to cancel their registration in time may only attend the shareholders' meeting via video conferencing.

Shareholders who have exercised their voting rights in writing or electronically and have not revoked their expression of intent, and who participate in the shareholder meeting by video conference, may not exercise their voting rights on the original proposals or propose amendments to the original proposals or exercise their voting rights on the amendments to the original proposals, except for extempore motions.

Article 14 (Elections)

The election of directors at a shareholders' meeting shall be held in accordance with the relevant election and appointment rules of the Company, and the voting results shall be announced on-site immediately, including the list of the elected directors and the numbers of votes with which they were elected and the list of the elected directors and the voting rights 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, it shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairman and distributed to each shareholder within 20 days after the meeting. The production and distribution of meeting minutes may be done in electronic form.

The distribution of the afore-mentioned meeting minutes may be done by publicly disclosing them at MPOS.

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, a summary of the proceedings and the voting results (including weights). The voting rights received by each candidate shall be disclosed when there is election of directors. The minutes shall be kept permanently during the duration of the Company.

For a shareholders' meeting held via video conferencing, in addition to the matters required to be recorded as prescribed in the preceding paragraph, the meeting minutes should also record the start and end time of the meeting, the method of convening the meeting, the names of the chairperson and the recorder, and the handling method and results when there are obstacles or technical issues with the video conferencing platform or participation via video conference due to natural disasters, emergencies, or other force majeure events.

When the Company holds a virtual shareholders' meeting, in addition to complying with the provisions mentioned in the preceding article, the minutes should also specify alternative measures provided for shareholders who have difficulty participating in the

virtual meeting.

Article 16 (Public announcement)

The number of shares solicited, the number of shares represented by proxy, and the number of shares represented by shareholders attending in writing or electronically shall be compiled by the Company into a statistical table in the prescribed format and displayed clearly at the venue of the shareholders' meeting on the day of the meeting. In the case of a shareholders' meeting held by video conference, the Company shall upload the aforementioned information to the video conferencing platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

When holding a virtual shareholders' meeting, upon announcing the start of the meeting, the Company should disclose the total number of shares held by attending shareholders on the virtual meeting platform. If there are other statistics on the total number of shares and voting rights of attending shareholders during the meeting, they shall be disclosed as well.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or rules required by Taiwan Stock Exchange Corporation Limited (or Taipei Exchange) the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The Chairman may direct the disciplinary personnel or security personnel to help maintain order at the meeting place. Such disciplinary personnel or security personnel shall wear a badge marked "Disciplinary Staff".

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 chairman may prevent the shareholder from doing so.

If a shareholder violates the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to stop, the chairman may direct the disciplinary personnel or security personnel to escort the shareholder from the meeting.

Article 18 (Break, resumption of meeting)

When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may resolve to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the

meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 (Information disclosure of virtual meeting)

If a shareholders' meeting is held virtually, the Company shall promptly disclose the results of each vote and election in accordance with the regulations on the video conferencing platform after the vote. The Company shall continue to disclose the results for at least 15 minutes after the chairperson announces the adjournment of the meeting.

Article 20 (The location of Chairperson and the recorder)

When holding a virtual shareholder meeting, the chairperson and the recorder of the meeting shall be in the same location in Taiwan, and the chairperson shall announce the address of the location at the beginning of the meeting.

Article 21 (Handling disconnection)

If the shareholders' meeting is held by video conferencing, when there is a force majeure event such as a natural disaster or other uncontrollable situation that causes a disruption of the video conferencing platform or participation by video conferencing for more than 30 minutes before the chairperson announces the adjournment of the meeting, the Company shall postpone or continue the meeting within 5 days. The provisions of Article 182 of the Company Act shall not apply.

Shareholders who did not register to participate in the original shareholders' meeting via video conferencing are not allowed to participate in the postponed or resumed meeting.

Shareholders who have registered and completed registration to participate in the original shareholders' meeting via video conferencing, but did not participate in the postponed or continued meeting in accordance with the provisions of the preceding paragraph, their shareholding, exercised voting rights, and election rights at the original shareholders' meeting shall be counted as part of the total shareholding, voting rights, and election rights of the shareholders who attend the postponed or continued meeting.

If a shareholders' meeting needs to be postponed or continued due to the circumstances mentioned in the first paragraph, the voting and vote-counting that have already been completed, as well as the announced voting results or lists of elected directors or supervisors, do not need to be discussed or voted on again.

When the Company holds a hybrid shareholders' meeting and cannot continue the video conferencing according to the first paragraph, if the total number of attending shares still meets the legal threshold for holding a shareholders' meeting after deducting the shares held by shareholders who attend the meeting via video conferencing, the shareholders' meeting shall continue and there is no need to postpone and resume the meeting in accordance with the provisions of the first paragraph.

If the situation described in the previous paragraph occurs and the shareholders'

meeting should continue, the shareholders who participate in the meeting via video conferencing shall be counted towards the total shareholding present, but their votes shall be deemed as abstentions for all matters at the meeting.

The Company shall follow the provisions of Article 44-2, Subparagraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies when handling relevant preparatory work based on the original shareholders' meeting date when postponing or continuing the meeting in accordance with the first paragraph.

During the periods stated in the latter part of Article 12 and Article 13 Subparagraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 44-5, Subparagraph 2, Article 44-15, and Article 44-17, Subparagraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone and resume the meeting based on the date stated in the first paragraph.

Article 22 (Handling digital divide)

When holding a virtual shareholders' meeting, appropriate alternative measures for shareholders who have difficulties participating in the meeting via video should be stated.

Article 23 These Rules, and any amendments thereto, shall take effect after being approved by the Shareholders' Meeting.

The 1st amendment was made on June 2, 2017.

The 2nd amendment was made on June 11, 2020.

The 3rd amendment was made on August 18, 2021.

The 4th amendment was made on May 31, 2022.

Chip Hope Co., Ltd
Procedures for Election of Directors

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualifications for the independent directors of the Company shall comply with

Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5 Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the provision of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The cumulative voting method shall be used for election of the directors of the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine

the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 A ballot is invalid under any of the following circumstances:
The ballot was not prepared by a person with the right to convene.
A blank ballot is placed in the ballot box.
The writing is unclear and indecipherable or has been altered.
The candidate whose name is entered in the ballot does not conform to the director candidate list.
Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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, it shall be retained until the conclusion of the litigation.

Article 12 The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13 The Procedure, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 14 The Procedure was established on June 17, 2011.
The first amendment was made on August 18, 2021.

Chip Hope Co., Ltd
Operating Procedures of Endorsement / Guarantees

Article 1 Purpose and Legal Basis

To strengthen the financial management of endorsement guarantees and reduce operational risks, the operation procedure is formulated in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by the Securities and Futures Bureau under the Financial Supervisory Commission of the Executive Yuan.

Article 2 Applicable Scope

The term "endorsements/guarantees" in this operation procedure refers to:

- 一、The term "financing endorsement/guarantee" refers to:
 - (一) Financing through discounting of passenger tickets.
 - (二) Endorsement or guarantee made for the purpose of financing for other companies.
 - (三) Issuance of additional bills to non-financial businesses as collateral for the purpose of financing for our company.
- 二、Endorsement or guarantee related to tariffs:
 - Endorsement or guarantee made by our company or other companies for tariff-related matters.
- 三、Other endorsement guarantees:
 - Others.

Our company shall ensure compliance with internal operational procedures when offering movable or immovable property as collateral for loans extended to other entities. This includes the proper establishment of pledges, mortgages, and other relevant encumbrances in accordance with applicable legal requirements.

Article 3 The subject of endorsement or guarantee.

The subject of our company's endorsement or guarantee is limited to the following companies:

- 一、Companies with business transactions.
- 二、Companies in which our company directly or indirectly holds more than fifty percent of the voting rights.
- 三、Companies in which our company directly or indirectly holds more than fifty percent of the voting rights.

For companies in which our company directly or indirectly holds more than ninety percent of the voting rights, endorsement or guarantee may be provided, provided that the amount does not exceed ten percent of the net worth of publicly traded

companies (referred to herein as "net worth," which refers to the equity attributable to owners of the parent company in accordance with the financial reporting standards for securities issuers). However, endorsement or guarantee between companies in which our company directly or indirectly holds one hundred percent of the voting rights is not subject to this limitation.

Our company may provide endorsement or guarantee between companies in which it directly or indirectly holds one hundred percent of the voting rights.

In cases of joint investment relationships, our company, as an investor, may provide endorsement or guarantee to the invested company based on the proportion of its shareholding, without being subject to the restrictions of the preceding two provisions.

The term "investment" referred to in the preceding paragraph means direct investment by our company or investment through companies in which it holds one hundred percent of the voting rights.

Article 4 The limit of endorsement or guarantee.

Our company's total limit for endorsement or guarantee to external parties is capped at ten percent of the net worth of the most recent audited or reviewed financial statements by certified public accountants. The amount of endorsement or guarantee to a single enterprise is restricted to not exceed five percent of the net worth of the most recent audited or reviewed financial statements by certified public accountants. Our company and its subsidiaries together have a total limit for endorsement or guarantee provided to third parties, which shall not exceed ten percent of the company's net worth. Our company and its subsidiaries together have a limit for the amount of endorsement or guarantee provided to a single enterprise, which is capped at five percent of the company's net worth.

The amount of endorsement and guarantees provided by the Company to a single enterprise due to business relationships shall be equivalent to the higher of either the Company's purchase or sales amount with that enterprise for the most recent fiscal year or the current fiscal year up to the endorsement or guarantee date, in addition to the provisions of the preceding clause.

If the subject of the Company's endorsement or guarantee is a subsidiary with a net worth less than half of its paid-in capital, clear control measures for its subsequent actions must be specified.

For subsidiaries whose stocks have no par value or a per-share value not denominated in New Taiwan Dollars ten, the paid-in capital calculated according to the preceding clause shall be the sum of the share capital and the capital surplus resulting from issuing premium.

Article 5 The procedure for endorsing or guaranteeing

- 一、When processing endorsements or guarantees, financial units shall review the qualifications and limits of the endorsement or guarantee applicant according to the provisions of this operating procedure, and determine if there are any circumstances that meet the criteria for public announcement and declaration. After the review and evaluation results are signed by the Chairman and approved by more than half of the members of the Audit Committee, they shall be submitted to the Board of Directors for discussion and approval.
- 二、Financial units shall establish a register for endorsement or guarantee matters. After endorsement or guarantee matters are approved by more than half of the members of the Audit Committee and approved by the Board of Directors or decided by the Chairman, in addition to applying for official seal according to prescribed procedures, detailed records shall be maintained in the register, including the commitment guarantee matters, endorsed or guaranteed objects, amounts, approval dates by the Audit Committee, approval dates by the Board of Directors or decision dates by the Chairman, endorsement or guarantee dates, and matters requiring prudent evaluation as per this operating procedure. Relevant documents such as bills and agreements shall also be photocopied and appropriately retained.
- 三、Internal auditors shall audit the endorsement or guarantee operation procedures and their implementation quarterly and make written records. If significant violations are found, they shall immediately notify the Audit Committee in writing.
- 四、Financial units shall compile a detailed list of guarantees issued and cancelled each month for control, tracking, and declaration, and shall evaluate and recognize contingent losses from endorsements or guarantees quarterly. Furthermore, endorsement or guarantee information shall be disclosed in financial reports, and relevant details shall be provided to the certified public accountant for verification.
- 五、In the event of changes, if the endorsed or guaranteed objects no longer comply with the provisions of these guidelines or the amounts exceed the limit, the financial units shall formulate improvement plans, submit them to the Audit Committee, and complete the improvements according to the plan schedule.
- 六、Before the expiration date of the endorsement or guarantee, financial units shall proactively notify the guaranteed enterprise to retrieve the guaranteed bills held by banks or credit institutions and cancel the relevant documents for endorsements or guarantees.

Article 6 Detailed Review Procedure

When processing endorsements or guarantees, the Finance Department should conduct a review and assessment on the following matters and make records:

- 一、 Understand the relationship between the endorsed or guaranteed party and the company, the purpose and use of the loan, the relevance to the company's business, and the significance of its operations to the company. Evaluate the necessity and reasonableness in conjunction with the company's endorsement or guarantee limits and current balance.
- 二、 Obtain relevant documents such as annual reports and financial statements of the endorsed or guaranteed party, and analyze their operations, financial status, creditworthiness, and repayment sources to assess potential risks.
- 三、 Analyze the proportion of the company's current endorsement or guarantee balance to its net worth, liquidity, and cash flow situation, as well as the results of the assessments in points one and two, to evaluate the impact on the company's operational risks, financial condition, and shareholder equity.
- 四、 Based on the nature of the guarantee, the creditworthiness of the guaranteed party, and the results of points one to three, assess whether to request appropriate collateral from the guaranteed party. Quarterly evaluate whether the value of the collateral is equivalent to the endorsement or guarantee balance, and if necessary, request additional collateral from the guaranteed party.

Article 7 Control procedures for subsidiaries issuing endorsements or guarantees

- 一、 Our subsidiary companies shall also establish 'Endorsement and Guarantee Procedures' in accordance with the 'Guidelines for Loans and Endorsements by Public Issuing Companies,' which must be approved by more than half of the members of the Audit Committee and subsequently ratified by the Board of Directors before being presented to the shareholders' meeting for approval. The same process applies to any revisions.
- 二、 Within each fiscal year, the endorsement and guarantee activities and related matters of both our company and its subsidiaries shall be reported for review at the shareholders' meeting of the following year. When our subsidiary companies provide endorsements or guarantees to others, they shall adhere to the respective 'Internal Control Systems' and 'Endorsement and Guarantee Procedures' established by themselves. Additionally, they should submit a written summary of the balance, beneficiaries, and deadlines of endorsements and guarantees processed in the previous month to our company by the 5th of each month. The auditing unit of our company shall include the endorsement

and guarantee activities of subsidiary companies as one of the quarterly audit items, and in case of significant violations, shall promptly inform the Audit Committee in writing.

- 三、 If our subsidiary companies are not publicly traded, and their endorsement and guarantee balances reach the standard required for public announcement and declaration as stipulated in Clause 2 of this operating procedure, they shall notify our company on the date of occurrence, and our company shall make the necessary public announcement and declaration on the designated website as required.

Article 8 Decision-making and Authorization Levels.

- 一、 When the company issues endorsements or guarantees, it shall follow the procedures outlined in this operating procedure and obtain approval from the Board of Directors. After the establishment of independent directors, their opinions shall be thoroughly considered during board discussions, and their explicit agreements or objections, along with the reasons for objections, shall be recorded in the board minutes.
- 二、 If the company needs to exceed the endorsement or guarantee limit stipulated in this operating procedure due to business requirements and meets the conditions set forth in the company's endorsement or guarantee procedures, it must obtain approval from the Board of Directors. Additionally, if there is a possibility of losses exceeding the limit, it requires endorsement by more than half of the directors with their names attached. Furthermore, the operating procedure shall be amended, submitted for retrospective approval by the shareholders' meeting. In case the shareholders' meeting does not agree, a plan shall be formulated to eliminate the excess within a certain period.

Article 9 Seal Usage and Custody Procedure

- 一、 The company shall designate the company seal registered with the Ministry of Economic Affairs as the dedicated seal for endorsements or guarantees. After approval by the Board of Directors, the seal shall be kept by a designated individual. Any change in the custodian of the seal requires approval from the Board of Directors, and the transfer of the seal shall be recorded.
- 二、 After the endorsement or guarantee is approved by the Board of Directors or authorized by the Chairman, the financial unit shall complete the "Seal Usage Register." Upon approval by the financial supervisor, along with the approved records and endorsement or guarantee contracts or promissory notes, the documents for sealing shall be submitted to the seal custodian for stamping.
- 三、 When using the seal, the seal custodian shall verify the approval records,

ensure that the "Seal Usage Register" is approved by the financial supervisor, and confirm the conformity of the sealing documents before stamping. After sealing, it shall be noted in the Seal Usage Register.

- 四、For guarantees issued to foreign companies, guarantee letters issued by the company shall be signed by the Chairman or General Manager, authorized by the Board of Directors.

Article 10 Announcement and Reporting Procedure

- 一、By the 10th day of each month, the financial unit shall submit the previous month's endorsement or guarantee balances of both the company and its subsidiaries to the accounting unit. Announcement and reporting shall be conducted monthly within the specified period, along with the operating revenue.
- 二、In addition to the monthly announcement and reporting of endorsement or guarantee balances, when the amount of endorsements or guarantees issued by the company or its subsidiaries reaches one of the following standards, the financial unit shall promptly provide relevant information to the accounting department for announcement and reporting within two days from the occurrence date (whichever comes earlier, including the signing date, payment date, Board of Directors' resolution date, or other date sufficient to determine the endorsed or guaranteed object and amount):
 - (一) The endorsement or guarantee balance reaches more than fifty percent of the latest net asset value in the company's recent financial statements.
 - (二) The endorsement or guarantee balance for a single enterprise reaches more than twenty percent of the latest net asset value in the company's recent financial statements.
 - (三) The endorsement or guarantee balance for a single enterprise reaches more than NT\$10 million, and the sum of the endorsement or guarantee, the equity method investment book value, and the balance of fund lending to the enterprise reaches more than thirty percent of the latest net asset value in the company's recent financial statements.
 - (四) The company or its subsidiaries add endorsement or guarantee amounts exceeding NT\$30 million and reach more than five percent of the latest net asset value in the financial statements of the publicly traded company.
 - (五) For subsidiaries of the company that are not domestic publicly traded companies, if the subsidiary has matters requiring announcement and reporting as mentioned above, it shall be handled by the company.

Article 11 Penalties

When personnel responsible for the endorsement or guarantee of the company violate this procedure, they shall be handled according to the following provisions depending on the severity of the violation. Violation records shall be used as references for annual individual performance evaluations.

- 一、 Violation of decision-making authority: For first-time offenders, oral warnings shall be given; for repeat offenders, written warnings shall be issued, and they shall be required to attend internal control system training courses conducted by the company. For repeat offenders or serious violations, they shall be transferred to other positions.
- 二、 Violation of review procedures: For first-time offenders, oral warnings shall be given; for repeat offenders, written warnings shall be issued, and they shall be required to attend internal control system training courses conducted by the company. For repeat offenders or serious violations, they shall be transferred to other positions.
- 三、 Violation of announcement and reporting: For first-time offenders, oral warnings shall be given; for repeat offenders, written warnings shall be issued. For repeat offenders or serious violations, they shall be transferred to other positions.
- 四、 The superior supervisor of personnel who violate regulations should also be subject to penalties, except when they can provide reasonable explanations for not preventing the violations beforehand.
- 五、 If the Board of Directors or directors violate relevant regulations and resolutions of the shareholders' meeting, the supervisors shall notify the Board of Directors or directors to cease their actions in accordance with Article 218-2 of the Company Law.

Article 12 Other Matters

This operating procedure shall be implemented upon the consent of more than half of the members of the Audit Committee and subsequent approval by the Board of Directors, followed by approval at the shareholders' meeting. If the consent of more than half of the members of the Audit Committee is not obtained, it may be implemented with the consent of more than two-thirds of all directors, with the decision of the Audit Committee recorded in the minutes of the board meeting and subsequently presented for approval at the shareholders' meeting. In case any director dissents with recorded objections or written statements, the dissenting opinion shall be presented for discussion at the shareholders' meeting, and the procedure shall be revised accordingly. During board discussions, the opinions of independent directors shall be fully considered, and if any independent director dissents or reserves their opinion, it shall be recorded in the minutes of the board meeting.

Chip Hope Co., Ltd
Procedures for Acquisition or Disposal of Assets

Article 1 Purpose and Legal Basis

In order to enhance asset management and ensure transparency, this processing procedure is revised in accordance with Article 36-1 of the Securities and Exchange Act and the guidelines on the acquisition or disposition of assets by publicly traded companies issued by the Financial Supervisory Commission (hereinafter referred to as the FSC).

Article 2 The scope of applicable assets includes:

- 一、Investments such as stocks, government bonds, corporate bonds, financial bonds, mutual funds, depositary receipts, warrants (call or put), beneficiary securities, and asset-backed securities.
- 二、Real estate (including land, buildings and structures, investment properties, and inventory of construction businesses) and equipment.
- 三、Membership certificates.
- 四、Intangible assets such as patents, copyrights, trademarks, and franchises.
- 五、Right-of-use assets.
- 六、Claims of financial institutions (including accounts receivable, foreign exchange discounts and loans, and collection).
- 七、Derivative products.
- 八、Assets acquired or disposed of through legal mergers, divisions, acquisitions, or share transfers.
- 九、Other significant assets.

Article 3 Here are the definitions for the specified terms:

- 一、Derivative Products: Refers to forward contracts, option contracts, futures contracts, margin contracts, swap contracts, or combinations thereof, whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term "forward contract" does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) contracts.
- 二、Assets Acquired or Disposed of through Legal Mergers, Divisions, Acquisitions, or Share Transfers: Refers to assets acquired or disposed of through mergers, divisions, or acquisitions conducted in accordance with the Merger and Acquisition Act, Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or through the issuance of new shares to

acquire shares of another company (referred to as share transfer) in accordance with Article 156-3 of the Company Act.

- 三、Related Parties, Subsidiaries: Shall be determined in accordance with the Financial Reports Compilation Standards for Issuers of Securities.
- 四、Professional Appraisers: Refers to real estate appraisers or other individuals authorized by law to engage in real estate or equipment appraisal business.
- 五、Occurrence Date: Refers to the earlier of the transaction signing date, payment date, commission execution date, transfer date, board resolution date, or other date sufficient to determine the transaction parties and transaction amount. However, for investors requiring approval from the competent authority, the earlier of the aforementioned dates or the date of receiving approval from the competent authority shall prevail.
- 六、Mainland China Investments: Refers to investments or technical cooperation activities conducted in Mainland China in accordance with the Regulations Governing Investment in Mainland China or other relevant regulations established by the Investment Review Committee of the Ministry of Economic Affairs.
- 七、Professional Investors: Refers to financial holding companies, banks, insurance companies, securities finance companies, trust companies, securities firms engaging in proprietary or underwriting business, futures commission merchants engaging in proprietary business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies established in accordance with legal provisions and regulated by local financial supervisory authorities.
- 八、Securities Exchanges: Domestic securities exchanges refer to Taiwan Stock Exchange Corporation; foreign securities exchanges refer to any organized securities trading market regulated by the securities regulatory authority of the respective country.
- 九、Securities Firm Business Premises: Domestic securities firm business premises refer to premises designated by securities firms for trading of securities in accordance with the Regulations Governing the Trading of Securities by Securities Firm Business Premises; foreign securities firm business premises refer to financial institution business premises managed by foreign securities regulatory authorities and authorized to engage in securities business.
- 十、Regarding the provision of ten percent of the total assets: The calculation shall be based on the total assets amount in the most recent individual or separate financial statements specified in the Financial Reports Compilation Standards

for Issuers of Securities.

Article 4 Evaluation Procedure

The acquisition or disposal of long or short-term securities investments or engaging in derivative product transactions by the company should be analyzed for related benefits and evaluated for potential risks by the Finance and Accounting Department. For the acquisition or disposal of real estate and equipment, each department should first prepare a capital expenditure plan, assessing the feasibility based on the purpose of acquisition or disposal and expected benefits.

一、 For the acquisition or disposal of real estate, equipment, or rights to use assets, except for transactions with domestic government agencies, self-development, land leasing, or acquisition or disposal of equipment or rights to use assets for business operations, transactions exceeding twenty percent of the company's paid-in capital or NT\$300 million should obtain a valuation report from a professional appraiser before the occurrence date, and comply with the following provisions. However, if the company acquires or disposes of assets through a court auction process, a certificate issued by the court may be used instead of a valuation report or an accountant's opinion.

(一) When a transaction requires a limited, specific, or special price as a reference, it must be approved by the board of directors before the transaction. Subsequent changes in transaction conditions require the same approval.

(二) Transactions exceeding NT\$1 billion should obtain valuations from two or more professional appraisers.

(三) If the valuation results from professional appraisers meet one of the following conditions, besides when the valuation result for the acquisition of assets is higher or lower than the transaction amount, the accountant should be consulted to provide specific opinions on the reasons for the difference and the reasonableness of the transaction price:

1. The difference between the valuation result and the transaction amount exceeds twenty percent of the transaction amount.

2. The difference between the valuation results of two or more professional appraisers exceeds ten percent of the transaction amount.

(四) The valuation report from professional appraisers should not be more than three months old as of the contract date. However, if it applies the same period of publicized current value and does not exceed six months, an opinion letter from the original professional appraiser may be obtained.

二、 For the acquisition or disposal of securities, the company should obtain the

most recent audited or reviewed financial statements signed or reviewed by the accountant of the target company before the occurrence date, as a reference for evaluating the transaction price. Additionally, for transactions exceeding twenty percent of the company's paid-in capital or NT\$300 million, the accountant should be consulted before the occurrence date to provide an opinion on the reasonableness of the transaction price. However, this does not apply to securities with active market quotations or as otherwise regulated by the Financial Supervisory Commission.

- 三、 For the acquisition or disposal of intangible assets or rights to use assets or membership certificates, transactions exceeding twenty percent of the company's paid-in capital or NT\$300 million, except for transactions with domestic government agencies, the accountant should be consulted before the occurrence date to provide an opinion on the reasonableness of the transaction price.
- 四、 For mergers, divisions, acquisitions, or share transfers, before convening a board meeting, the company should commission accountants, lawyers, or securities underwriters to provide opinions on the reasonableness of the swap ratio, acquisition price, or the distribution of cash or other properties to shareholders. The proposal should be agreed upon by more than half of the members of the Audit Committee and submitted to the board for discussion and approval.
- 五、 The determination of the price or reference basis for the acquisition or disposal of assets by the company, besides considering professional appraisals, accountant opinions, and opinions from relevant experts, should adhere to the following circumstances:
 - (一) For securities traded in centralized trading markets or over-the-counter trading centers, the price should be determined based on the equity or bond price at that time.
 - (二) For securities not traded in centralized trading markets or over-the-counter trading centers, the transaction price should consider factors such as net asset value per share, technical and profit capabilities, future development potential, market interest rates, bond coupon rates, and debtor credit, and should be based on the most recent transaction price.
 - (三) For the acquisition or disposal of membership certificates, the benefits generated should be considered, and the most recent transaction price should be consulted. For the acquisition or disposal of intangible assets such as patents, copyrights, trademarks, or franchises, international or

market practices, usable years, and their impact on company technology and operations should be considered and agreed upon.

- (四) For the acquisition or disposal of real estate and equipment, the announced current value, assessed value, actual transaction price of neighboring real estate, or book value, supplier quotation, etc., should be consulted. If purchasing real estate from related parties, the transaction price should first be calculated according to the methods specified in this procedure's Chapter II to assess the reasonableness of the transaction price.
- (五) Engaging in derivative product transactions should consider the trading conditions of the futures market, exchange rates, and interest rate trends.
- (六) For mergers, divisions, acquisitions, or share transfers, considerations should include business nature, net asset value per share, asset value, technical and profit capabilities, production capacity, and future growth potential.

Article 5 Operating Procedures

一、Authorization Limits and Levels

- (一) Marketable Securities: The General Manager is authorized to conduct transactions within the limits set forth in Article 7 of this procedure. If the transaction meets the disclosure requirements specified in Article 6, it must be reported to the Chairman for approval on the following day and submitted for ratification by the most recent Board of Directors meeting. However, if the acquisition or disposal involves stocks, corporate bonds, or privately placed securities that are not traded on centralized exchanges or over-the-counter markets, and the transaction amount meets the disclosure requirements, it must first be approved by at least two-thirds of the members of the Audit Committee and then approved by the Board of Directors before proceeding. Additionally, investments in Mainland China require approval from the shareholders' meeting or authorization from the shareholders' meeting for execution by the Board of Directors. Approval must also be sought from the Investment Review Committee of the Ministry of Economic Affairs before proceeding.
- (二) Derivative Trading
 - 1. Hedging Transactions: Based on changes in the company's revenue and risk positions, individuals designated by the Chairman may engage in transactions with a single or cumulative position of less than \$1 million US dollars (including equivalent currencies). Transactions exceeding \$1 million US dollars require approval from the Chairman

before proceeding.

2. Non-Hedging Transactions: To mitigate risks, transactions with a single or cumulative position of less than \$1 million US dollars (including equivalent currencies) must be approved by the Chairman. Transactions exceeding \$1 million US dollars require approval from at least two-thirds of the members of the Audit Committee and subsequent approval from the Board of Directors before proceeding.
3. In order to align the company's authorized activities with banking oversight and management, authorized personnel must inform the bank of the transactions.
4. Derivative transactions conducted under the aforementioned authorization must be reported to the most recent Board of Directors meeting after the fact.

(三) Related Party Transactions: Relevant information should be prepared in accordance with the provisions of Article 9 of this processing procedure. Approval from at least two-thirds of the members of the Audit Committee and subsequent approval from the Board of Directors are required before proceeding.

(四) Mergers, Divisions, Acquisitions, or Share Transfers: Relevant procedures and preparation of related documents should be carried out in accordance with the provisions of Article 11 of this processing procedure. Mergers, divisions, and acquisitions require approval from the shareholders' meeting, unless exempted by other legal provisions. Additionally, share transfers require approval from at least two-thirds of the members of the Audit Committee and subsequent approval from the Board of Directors before proceeding.

(五) Others: Operations should be conducted in accordance with the internal control system and decision-making authority regulations. Transactions that meet the disclosure standards specified in Article 6 require prior approval from the Board of Directors, except for the acquisition or disposal of equipment used for business purposes, which may be retroactively reported to the Board of Directors. In cases falling under Article 185 of the Company Act, approval from the shareholders' meeting is required.

二、 Execution Units and Transaction Processes: The execution units for the company's long and short-term securities investments and derivative transactions are the Finance and Accounting Department and individuals

designated by the Chairman of the Board. The execution units for real estate and other assets are the user departments and relevant responsible units. For mergers, divisions, acquisitions, or share transfers, the executing units are designated by the Chairman of the Board. Upon evaluation and approval of asset acquisition or disposal according to regulations, the execution units are responsible for contract negotiation, payment and receipt, delivery, and acceptance processes. Transaction processes are carried out according to relevant operational procedures outlined in the internal control system, depending on the nature of the assets. Furthermore, transactions involving the acquisition of real estate from related parties, engagement in derivative transactions, mergers, divisions, acquisitions, or share transfers should adhere to the regulations outlined in Articles 9 to 11 of this processing procedure.

Article 6 Announcement and Reporting Procedures:

- 一、When the company acquires or disposes of assets under the following circumstances, it shall, according to the nature, format, and content as prescribed, announce and report the relevant information on the designated website of the Financial Supervisory Commission (FSC) within two days from the occurrence of the event:
 - (一) Acquisition or disposal of real estate or rights of use assets from related parties, or other assets with related parties involving transactions reaching 20% of the company's paid-in capital, 10% of total assets, or over NT\$300 million, except for transactions involving domestic government bonds, bonds with buyback or sell-back conditions, or subscription or repurchase of domestic securities investment trust companies' issued money market funds.
 - (二) Mergers, divisions, acquisitions, or share transfers.
 - (三) Losses from derivative transactions reaching the specified maximum loss limit according to this processing procedure.
 - (四) Acquisition or disposal of equipment or rights of use assets for business purposes, with transaction amounts reaching:
 - 1. Over NT\$500 million for publicly listed companies with paid-in capital below NT\$10 billion.
 - 2. Over NT\$1 billion for publicly listed companies with paid-in capital above NT\$10 billion.
 - (五) Acquisition or disposal of real estate or rights of use assets for construction purposes, with transaction amounts over NT\$500 million; for companies with paid-in capital above NT\$10 billion, disposal of

completed self-constructed real estate projects with transaction amounts over NT\$1 billion.

(六) Acquisition of real estate through methods such as land commissioning, joint construction, etc., with transaction amounts over NT\$500 million, excluding transactions with related parties.

(七) Other asset transactions, disposal of debts by financial institutions, or investments in mainland China, with transaction amounts reaching 20% of the company's paid-in capital or over NT\$300 million. However, certain exceptions apply.

(八) Transaction amounts are calculated in various ways.

二、 The company shall report the derivative trading activities of the company and its subsidiaries, excluding domestic publicly traded companies, to the FSC's designated information reporting website by the 10th of each month.

三、 In case of errors or omissions in the announced items, corrections shall be made within two days from the date of awareness by re-announcing all items.

四、 Relevant contracts, minutes of meetings, record books, appraisal reports, opinions of accountants, lawyers, or securities underwriters shall be kept by the company for at least five years, unless otherwise provided by law.

Article 7 Investment Scope and Limits:

The total investment amount in non-operating real estate or securities by the company and its subsidiaries, as well as the individual limits for securities, are as follows:

一、 The total amount of non-operating real estate investment shall not exceed 70% of the company's net worth.

二、 The total amount of securities investment shall not exceed 350% of the company's net worth.

三、 The limit for investment in individual securities shall not exceed 200% of the company's net worth.

The calculation of the above securities investment amount is based on the original investment cost.

Article 8 Control over the acquisition or disposal of assets by subsidiary companies is governed by the following procedures:

一、 Subsidiary companies of our company are required to establish and implement "Asset Acquisition or Disposal Procedures" in accordance with the regulations outlined in the Financial Supervisory Commission's letter No.0910006105. Amendments to these procedures require approval from at least two-thirds of the members of the audit committee and subsequent approval by the board of

directors. Any revisions to these procedures must also be approved by the shareholders' meeting.

- 二、Subsidiary companies must handle the acquisition or disposal of assets in accordance with their own established "Internal Control Systems" and "Asset Acquisition or Disposal Procedures." They are also required to submit a written summary of any individual or cumulative transactions exceeding NT\$10 million of the same nature, as well as the status of derivative transactions conducted until the end of the previous month, to our company by the 5th day of each month. The internal audit unit of our company should include the acquisition or disposal of assets by subsidiary companies as one of its quarterly audit items. If any significant violations are discovered, the audit committee should be notified promptly in writing.
- 三、If the subsidiary company is not a domestically listed public company and its acquisition or disposal of assets meets the criteria for public announcement and reporting as outlined in Article 6, they must inform our company of the transaction within the day of its occurrence. Our company will then handle the public announcement and reporting on a designated website according to the regulations. For subsidiary companies subject to the criteria for public announcement and reporting under Article 6, the determination of the paid-in capital or total assets shall be based on our company's capital or total assets.

Article 9 Related Party Transactions

The company has acquired or disposed of assets with related parties. In addition to following the procedures and evaluating the reasonableness of the transaction conditions as specified in the preceding articles and this article, if the transaction amount reaches ten percent or more of the company's total assets, the company should also obtain an appraisal report from a professional appraiser or an opinion from an accountant in accordance with the provisions of the preceding articles. The calculation of the transaction amount shall be handled in accordance with Article 6-1. When determining whether the counterparty is a related party, attention shall be paid not only to its legal form but also to the substantive relationship.

一、Decision-making Procedures

When the company acquires or disposes of real estate or its usage rights with related parties, or other assets with related parties with a transaction amount reaching twenty percent of the company's paid-in capital, ten percent of the total assets, or over three hundred million New Taiwan Dollars, except for the purchase and sale of domestic bonds, repurchase agreements, bond repos, or subscription or repurchase of money market funds issued by domestic

securities investment trust enterprises, the executing unit shall submit the following information. After obtaining approval from more than half of the members of the Audit Committee and approval from the Board of Directors, the transaction contract and payment shall be made:

- (一) Purpose, necessity, and expected benefits of acquiring or disposing of assets.
- (二) Reasons for selecting related parties as transaction counterparts.
- (三) Relevant information for assessing the reasonableness of the proposed transaction conditions with related parties in accordance with Articles 9-2 and 9-3.
- (四) Information such as the original acquisition date and price of the related party, transaction counterpart, and their relationship with the company and related parties.
- (五) Forecasted cash flow statements for each month of the upcoming year starting from the contract month, and assessment of the necessity of the transaction and the reasonableness of fund utilization.
- (六) Appraisal report issued by a professional appraiser or opinion from an accountant in accordance with the preceding article.
- (七) Restriction conditions and other important contractual agreements of this transaction.

If the company or its subsidiary, which is not a domestic public company, acquires or disposes of real estate or its usage rights with related parties, or other assets with related parties with a transaction amount reaching ten percent or more of the company's total assets, the company shall submit the above information for approval at the shareholders' meeting before signing the transaction contract and making payment. However, transactions between the company and its parent company, subsidiaries, or subsidiaries holding one hundred percent of the issued shares or total capital stock of another subsidiary are not subject to this restriction. The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with Article 6, and the term "within one year" shall be based on the date of the occurrence of the transaction fact of this transaction as the reference, and one year shall be retroactively calculated from that date, and the part that has been submitted to the shareholders' meeting, Audit Committee, and Board of Directors for approval shall be excluded.

The company and its subsidiaries, or subsidiaries holding one hundred percent of the issued shares or total capital stock directly or indirectly owned by the

company or its subsidiaries, engage in the following transactions with each other. The Board of Directors may authorize the Chairman of the Board to make decisions within a certain limit, subject to subsequent ratification by the most recent Board of Directors meeting.

1. Acquisition or disposal of equipment for business use or its usage rights.
2. Acquisition or disposal of real estate usage rights for business use.

When submitting to the Board of Directors for discussion in accordance with the preceding paragraph, due consideration shall be given to the opinions of independent directors. If any independent director has objections or reservations, they shall be recorded in the minutes of the Board of Directors meeting. If less than half of the members of the Audit Committee agree, it may be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The term "all members of the Audit Committee" and "all directors" referred to in the preceding paragraph shall be based on the actual number of incumbents.

二、Evaluation of Transaction Conditions

When the company acquires real estate or its usage rights from related parties, the reasonableness of the transaction cost shall be assessed by the following methods:

- (一) The transaction price with related parties plus necessary funds, interest costs, and costs borne by the buyer in accordance with the law. The necessary funds' interest costs shall be calculated based on the weighted average interest rate of loans borrowed by the company for the purchase of assets during the year, provided that it shall not exceed the highest borrowing interest rate announced by the Ministry of Finance for non-financial industries.
- (二) If the related party has previously set up a mortgage loan with a financial institution using the subject matter of the transaction, the total value of the financial institution's assessment of the subject matter of the loan, provided that the actual cumulative value of the financial institution's lending for the subject matter shall account for at least seventy percent of the total assessment value and the lending period has exceeded one year. However, this does not apply if the financial institution and one of the parties to the transaction are related parties.
- (三) When jointly purchasing or leasing the same property, the land and

buildings may be evaluated separately using any of the methods listed in (一) and (二) above.

(四) When acquiring real estate or its usage rights from related parties, the cost of real estate or its usage rights shall be evaluated according to the provisions of (一) and (二) above, and shall be reviewed and provided with specific opinions by accountants.

(五) If any of the following situations occur when acquiring real estate or its usage rights from related parties, Article 9 shall apply, and the preceding three provisions shall not apply:

1. The related party acquired the real estate or its usage rights through inheritance or gift.
2. The time between the related party's contract to acquire the real estate or its usage rights and the contract date of this transaction has exceeded five years.
3. Signing a joint development contract with the related party, or commissioning the related party to construct real estate through land commissioning or leasing.
4. When two companies, or subsidiaries holding one hundred percent of the issued shares or total capital stock directly or indirectly owned by the company or its subsidiaries, acquire real estate usage rights for business use from each other.

三、 When the evaluation results of the preceding two provisions are lower than the transaction price, the following shall be handled in accordance with the provisions of Article IV below. However, if there is evidence and specific reasonable opinions from real estate appraisers and accountants, the following exceptions apply:

(一) If the related party acquired raw land or leased land for subsequent construction, it may provide evidence that meets one of the following conditions:

1. The land is evaluated using the method specified in the preceding article, while the house is assessed based on the related party's construction costs plus reasonable construction profit. The total exceeds the actual transaction price. Reasonable construction profit should be based on the average operating margin of the related party's construction department over the past three years or the lower of the most recent construction industry margin rate announced by the Ministry of Finance.

2. Other floors of the same property or other non-related party transactions within one year in the nearby area, with similar areas and conditions after evaluating reasonable floor or regional price differences according to real estate trading practices.

(二) The company provides evidence that the transaction conditions for acquiring real estate or leasing real estate usage rights from related parties are comparable to other non-related party transactions in the nearby area within one year and have similar areas.

The term "nearby area transaction cases" refers to the same or adjacent street blocks within a radius of five hundred meters of the subject property or those with similar assessed values. The term "similar areas" means that the area of other non-related party transaction cases is not less than fifty percent of the subject property area. The term "within one year" refers to one year retroactively calculated from the date of the occurrence of the fact of acquiring real estate or its usage rights in this transaction.

四、When the company acquires real estate or its usage rights from related parties, if the evaluation results according to the preceding two provisions are lower than the transaction price, the following shall be handled:

(一) The difference between the transaction price of real estate or its usage rights and the evaluated cost shall be provisioned as a special surplus reserve in accordance with Article 41, Paragraph 1 of the Securities Trading Law and shall not be distributed or increased by capitalization. If the company's investment adopts the equity method of valuation and is a publicly traded company, the amount shall also be provisioned as a special surplus reserve according to Article 41, Paragraph 1 of the Securities Trading Law based on the proportion of ownership.

(二) The preceding paragraph shall apply mutatis mutandis to independent director members of the Audit Committee.

(三) The handling of the above (一) and (二) shall be reported to the shareholders' meeting, and the detailed transaction information shall be disclosed in the annual report and public prospectus.

When the company provisions a special surplus reserve in accordance with Paragraph (一), it shall wait until the assets acquired at a higher price or leased assets have recognized impairment losses or terminated lease contracts, or appropriate compensation or restoration has been made, or other evidence confirms no unreasonable circumstances, and shall obtain approval from the Financial Supervisory Commission before using the special surplus reserve.

If there is other evidence indicating that the transaction deviates from normal business practices, the company shall also handle it in accordance with the provisions of Paragraphs (一) and (二) above.

Article 10 Derivative Trading Activities

一、Principles and Policies of Trading

(一) Types of Transactions: The company may engage in various types of derivative transactions, including forward contracts, options, interest rate and currency swaps, futures, and composite contracts composed of the aforementioned instruments. Any other transactions require prior approval from the Board of Directors.

(二) Operating or Hedging Strategies: Derivative transactions are categorized into hedging and non-hedging (speculative) transactions. The primary objective of these strategies should be to mitigate operational risks. Selection of trading instruments should focus on mitigating risks associated with foreign exchange income, expenses, assets, or liabilities generated by the company's operations. Non-hedging transactions may be entered into opportunistically to increase non-operating income or reduce non-operating losses. Additionally, counterparties should preferably be financial institutions with whom the company conducts business to avoid credit risks. It is essential to clearly define transactions as hedging or investment-seeking financial operations before execution for accounting purposes.

(三) Transaction Limits:

1. Hedging Transactions: Limited to the net foreign exchange position (including anticipated future positions) after consolidating assets and liabilities.
2. Non-hedging Transactions: Not to exceed USD 1.5 million. Prior to execution, traders must submit a foreign exchange trend analysis report outlining market trends and proposed trading strategies for approval.

(四) Maximum Loss Limits for All and Individual Contracts:

1. Hedging Transactions: Since hedging transactions are tailored to the company's actual needs, risks are assessed and controlled in advance, and therefore, there is no maximum loss limit.
2. Non-hedging Transactions: Stop-loss points should be established after position establishment to prevent excessive losses. Stop-loss

limits should not exceed 10% of the contract amount, and the total cumulative annual loss should not exceed USD 300,000.

(五) Responsibility Assignment:

1. Traders: Appointed by the Chairman to execute derivative trading activities. They are responsible for devising trading strategies within authorized limits, executing trade instructions, disclosing future trading risks, and providing real-time information to relevant departments.
2. Accountants: Responsible for confirming transactions, accounting according to relevant regulations, maintaining transaction records, conducting fair market value assessments of held positions regularly, and disclosing derivative transactions in financial statements.
3. Finance Personnel: Responsible for transaction settlements.

(六) Performance Evaluation:

1. Hedging Transactions: Performance evaluation is based on the difference between the company's book rate and the gains or losses from derivative financial transactions. It should be conducted at least twice a month and reported to management.
2. Speculative Transactions: Performance evaluation is based on actual gains or losses generated. It should be conducted at least once a week and reported to management.

二、Risk Management Measures

When engaging in derivative trading, the company shall implement the following risk management measures:

- (一) Consideration of Credit Risk: Transactions should be conducted with reputable financial institutions and futures brokers that can provide professional information.
- (二) Consideration of Market Risk: Due to the uncertain nature of future market price fluctuations of derivative instruments, stop-loss points should be strictly adhered to after position establishment.
- (三) Consideration of Liquidity Risk: To ensure liquidity of traded instruments, institutions must have sufficient equipment, information, and trading capabilities to operate in any market.
- (四) Consideration of Operational Risk: Compliance with authorized limits and operational procedures is crucial to mitigate operational risks.
- (五) Consideration of Legal Risk: Contracts with financial institutions should preferably use international standardized documents to mitigate legal

risks.

- (六) Consideration of Product Risk: Internal traders should possess comprehensive and accurate professional knowledge to avoid misusing derivative instruments leading to losses.
- (七) Consideration of Cash Settlement Risk: Authorized traders must strictly comply with authorized limits and monitor company cash flows to ensure sufficient cash for settlement.
- (八) Trading personnel and personnel involved in confirmation, delivery, and other operations must not hold concurrent positions.
- (九) Confirmation personnel should regularly reconcile with counterpart banks through account statements or correspondence and should verify whether the total transaction amount exceeds the limit specified in this processing procedure.
- (十) Personnel responsible for risk measurement, supervision, and control should belong to different departments from those mentioned in (一) and should report to the Audit Committee, the Board of Directors, or senior executives responsible for trading or position decisions.
- (十一) Positions held should be evaluated at least weekly, with a minimum of bi-monthly evaluations for hedging transactions conducted for business needs. Evaluation reports should be submitted to senior executives authorized by the Board of Directors (Note: Non-executive senior executives should be designated).

三、Internal Audit System

- (一) The internal audit personnel of the company should regularly assess the adequacy of internal controls over derivative transactions and conduct monthly audits of the operational procedures for derivative transactions conducted by the trading department in accordance with regulations. Audit reports should be prepared, and in case of discovering significant violations, they should immediately report to the Chairman and the designated senior management of the Board of Directors, and notify the Audit Committee and independent directors in writing.
- (二) The internal audit personnel of the company should include derivative transactions in the audit plan and report the execution status of the annual audit plan for the previous year to the Financial Supervisory Commission by the end of February of the following year. Any improvements in abnormal situations should be reported to the Financial Supervisory Commission for inspection by the end of May of the following year at the

latest.

四、Regular Evaluation Methods and Handling of Abnormal Situations

- (一) Derivative transactions should be regularly evaluated monthly or weekly, and the profits and losses for the month or week and the outstanding positions of non-hedging transactions should be summarized. These reports should be submitted to the senior executives authorized by the Board of Directors and the Chairman for management performance evaluation and risk assessment.
- (二) The senior executives designated by the Board of Directors of the company should continuously monitor and control the risks of derivative transactions. The Board of Directors should assess whether the performance of derivative transactions complies with established business strategies and whether the risks undertaken are within the company's acceptable range.
- (三) The senior executives authorized by the Board of Directors should manage derivative transactions according to the following principles:
 - 1. Regularly assess whether the current risk management measures are appropriate and implemented in accordance with the "Guidelines for Public Companies to Acquire or Dispose of Assets" formulated by the Financial Supervisory Commission and the relevant provisions of this processing procedure.
 - 2. Supervise transactions and profit/loss situations. In case of detecting abnormal situations, necessary response measures should be taken, and the Board of Directors should be immediately informed. Independent directors should attend the Board of Directors meeting and provide their opinions.
- (四) Companies engaged in derivative transactions should establish a record book, detailing the types and amounts of derivative transactions, the date of approval by the Board of Directors, the monthly or weekly regular evaluation reports, and the matters for regular evaluation by the Board of Directors and senior executives authorized by the Board of Directors.

Article 11 Merger, Division, Acquisition, or Share Transfer

- 一、Before convening the Audit Committee and the Board of Directors for resolutions regarding merger, division, acquisition, or share transfer, it is necessary to engage accountants, lawyers, or securities underwriters to provide opinions on the reasonableness of the exchange ratio, acquisition price, or distribution of cash or other assets to shareholders, and submit them to the

Board of Directors for discussion and approval. However, when a merger occurs between subsidiaries holding one hundred percent of the issued shares or total capital directly or indirectly, or between subsidiaries holding one hundred percent of the issued shares or total capital directly or indirectly, it is exempt from obtaining the aforementioned expert opinion on reasonableness.

- 二、 When the Company conducts a merger, division, or acquisition, it shall prepare a public document addressed to the shareholders before the shareholders' meeting, along with the expert opinions mentioned above and the notice of the shareholders' meeting, for shareholders' reference on whether to approve the merger, division, or acquisition. However, if a shareholders' meeting is not required to be convened according to other laws for resolutions on merger, division, or acquisition matters, this provision does not apply. If the shareholders' meeting of any participating company cannot be convened or resolutions cannot be passed for any reason, or if the proposal is rejected, the Company shall immediately publicly explain the reasons for the occurrence, follow-up procedures, and the expected date of the shareholders' meeting to be convened.
- 三、 Unless otherwise provided by other laws or approved by the Financial Supervisory Commission (FSC) due to special reasons in advance, when the Company participates in a merger, division, or acquisition, it shall convene the Audit Committee, the Board of Directors, and the shareholders' meeting on the same day as other participating companies to resolve the relevant matters of the merger, division, or acquisition. Similarly, when participating in share transfer, except as otherwise provided by other laws or approved by the FSC due to special reasons in advance, the Company shall convene the Audit Committee and the Board of Directors on the same day as other participating companies. For listed companies or companies whose stocks are traded at securities firms participating in mergers, divisions, acquisitions, or share transfers, the following information shall be recorded in complete written form and kept for five years for audit purposes:
 - (一) Basic information of personnel: including titles, names, and ID numbers (passport numbers for foreigners) of all persons involved in merger, division, acquisition, or share transfer plans or plan executions before the public disclosure of information.
 - (二) Important dates: including dates of signing letters of intent or memoranda, commissioning financial or legal advisors, signing contracts, and holding meetings of the Audit Committee, the Board of Directors, etc.

(三) Important documents and meeting minutes: including merger, division, acquisition, or share transfer plans, letters of intent or memoranda, important contracts, and minutes of meetings of the Audit Committee, the Board of Directors, etc.

For listed companies or companies whose stocks are traded at securities firms participating in mergers, divisions, acquisitions, or share transfers, within two days from the date of the Board of Directors' resolution, the information specified in the first and second items above shall be submitted to the FSC via the internet information system in the prescribed format for inspection.

For companies participating in mergers, divisions, acquisitions, or share transfers that are not public companies or whose stocks are not traded at securities firms, the listed companies or companies whose stocks are traded at securities firms shall sign agreements with them and handle them in accordance with the provisions of the preceding two items.

- 四、 All persons involved in or informed of the Company's merger, division, acquisition, or share transfer plans shall issue written confidentiality commitments and shall not disclose the contents of the plans to third parties before the information is made public, nor shall they buy or sell stocks of all companies related to the merger, division, acquisition, or share transfer cases on their own behalf or in the name of others.
- 五、 Except for the following circumstances, the exchange ratio or acquisition price for mergers, divisions, acquisitions, or share transfers shall not be arbitrarily changed and shall be stipulated in the merger, division, acquisition, or share transfer agreement as the situations where changes may be made:
- (一) Conducting cash capital increase, issuing convertible bonds, free stock dividends, issuing convertible bonds with warrants, issuing warrants, and other securities with equity nature.
 - (二) Conducting acts that affect the company's financial and business operations, such as disposing of major assets of the company.
 - (三) Occurrence of significant events affecting shareholder rights or securities prices of the company, such as major disasters or significant technological changes.
 - (四) Adjustment of treasury shares repurchased by any party participating in the merger, division, acquisition, or share transfer in accordance with the law.
 - (五) Changes in the number of participating entities or households in mergers, divisions, acquisitions, or share transfers.

- (六) Other conditions stipulated in the contract that have been publicly disclosed.
- 六、When the Company participates in a merger, division, acquisition, or share transfer, the contract shall specify the rights and obligations of the participating companies, the circumstances under which the exchange ratio or acquisition price may be changed as stipulated in the preceding article, and the following matters:
 - (一) Handling of defaults.
 - (二) Treatment of securities with equity nature or treasury shares repurchased by companies that are dissolved or divided before the merger.
 - (三) The quantity of treasury shares that may be repurchased by participating companies after the base date for calculating the exchange ratio and its treatment principles according to the law.
 - (四) Handling methods for changes in the number of participating entities or households.
 - (五) Planned execution progress and expected completion schedule.
 - (六) Relevant processing procedures such as the scheduled date for convening a shareholders' meeting in case of delay in the implementation of the plan.
- 七、After the information on mergers, divisions, acquisitions, or share transfers is disclosed, if the Company intends to conduct further mergers, divisions, acquisitions, or share transfers with other companies, except for cases where the number of participating households decreases and the shareholders' meeting has already resolved and authorized the board of directors to change the authority, the procedures or legal acts already completed in the original case shall be repeated by the participating companies.
- 八、For companies participating in mergers, divisions, acquisitions, or share transfers that are not public companies, the Company shall sign agreements with them and handle them in accordance with the provisions of the third, fourth, and eighth paragraphs of this processing procedure.

Article 12 Other Important Matters

- 一、The appraiser and the personnel involved in the appraisal, as well as accountants, lawyers, or securities underwriters engaged by the Company to obtain valuation reports or opinions, shall comply with the following provisions:
 - (一) They have not been sentenced to imprisonment of more than one year for violations of this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, the Commercial Accounting

Act, or for fraud, breach of trust, embezzlement, forgery of documents, or criminal acts related to business. However, those who have completed their sentence, reached the end of their probation period, or have been granted amnesty for more than three years shall not be subject to this restriction.

- (二) They shall not be related parties or have substantial relationships with the parties to the transaction.
- (三) If two or more professional appraisers' valuation reports are required, the appraisers or personnel involved in the valuation reports shall not be related parties or have substantial relationships with each other.

When issuing valuation reports or opinions, the personnel mentioned above shall comply with the self-discipline regulations of their respective professional associations and the following matters:

- (一) Before taking on the case, they shall carefully assess their own professional capabilities, practical experience, and independence.
- (二) During the execution of the case, they shall properly plan and execute appropriate operational procedures to form conclusions and issue reports or opinions; and the procedures executed, data collected, and conclusions drawn shall be fully documented in the case working papers.
- (三) The appropriateness and reasonableness of the sources, parameters, and information used shall be evaluated item by item as the basis for issuing valuation reports or opinions.
- (四) Declaration matters shall include the professionalism and independence of relevant personnel, the appropriateness and reasonableness of the information used in the assessment, and compliance with relevant laws and regulations.

二、 The acquisition or disposal of assets by the Company shall require the consent of more than half of the members of the Audit Committee and approval by the Board of Directors in accordance with this processing procedure or other legal provisions. The opinions of each independent director shall be fully considered, and their agreement or disagreement and reasons shall be recorded in the meeting minutes. Significant transactions involving assets or derivatives shall require the consent of more than half of the members of the Audit Committee and a resolution by the Board of Directors. If the consent of more than half of the members of the Audit Committee is not obtained, it may be approved by more than two-thirds of the directors, and the decision of the Audit Committee shall be recorded in the board meeting minutes.

三、 This processing procedure shall be formulated with the consent of more than half of the members of the Audit Committee and approval by the Board of Directors, and implemented after approval by the shareholders' meeting, and the same applies to amendments. If a director dissents and there is a record or written statement, the opinions of each independent director shall be fully considered, and their agreement or disagreement and reasons shall be recorded in the meeting minutes. If the consent of more than half of the members of the Audit Committee is not obtained, it may be approved by more than two-thirds of the directors, and the decision of the Audit Committee shall be recorded in the board meeting minutes.

Article 13 Penalties

If the personnel responsible for the acquisition or disposal of assets by the Company violate the "Guidelines for Handling the Acquisition or Disposal of Assets by Publicly Issued Companies" issued by the Financial Supervisory Commission (FSC) or this processing procedure, the following provisions shall apply depending on the severity of the violation. Violations shall be recorded and used as a reference for annual individual performance evaluations.

(一) Violation of decision-making authority:

First-time offenders shall receive verbal admonishment. Repeat offenders shall receive written warnings and mandatory participation in the Company's internal control system training courses. Repeat offenders with serious violations shall be transferred to another position.

(二) Violation of evaluation procedures: First-time offenders shall receive verbal admonishment. Repeat offenders shall receive written warnings and mandatory participation in the Company's internal control system training courses. Repeat offenders with serious violations shall be transferred to another position.

(三) Violation of announcement and declaration: First-time offenders shall receive verbal admonishment. Repeat offenders shall receive written warnings. Repeat offenders with serious violations shall be transferred to another position.

(四) The superior supervisor of the personnel who violate the regulations shall also be subject to punishment. However, if they can reasonably demonstrate that they have taken preventive measures in advance, they shall not be subject to punishment.

(五) If the Board of Directors or directors violate relevant regulations and resolutions of the shareholders' meeting, the supervisor shall notify the Board of Directors or directors to cease their actions in accordance with Article 218-2 of the Company Act.

Chip Hope Co., Ltd Articles of Incorporation

Chapter 1 General Principals

The Company is called Chip Hope Co., Ltd and is registered as a company limited by shares according to the ROC Company Act.

The Company is engaged in the following businesses:

- I. CB01010 Mechanical Equipment Manufacturing
- II. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- III. CC01070 Telecommunication Equipment and Apparatus Manufacturing
- IV. CC01080 Electronics Components Manufacturing
- V. CC01110 Computer and Peripheral Equipment Manufacturing
- VI. F113010 Wholesale of Machinery
- VII. F113020 Wholesale of Household Appliance
- VIII. F113050 Wholesale of Computers and Clerical Machinery Equipment
- IX. F119010 Wholesale of Electronic Materials
- X. F213010 Retail Sale of Electrical Appliances
- XI. F213030 Retail Sale of Computers and Clerical Machinery Equipment
- XII. F213080 Retail Sale of Other Machinery and Equipment
- XIII. F401010 International Trade
- XIV. I501010 Product Designing
- XV. CF01011 Medical Devices Manufacturing
- XVI. F108031 Wholesale of Drugs, Medical Goods
- XVII. F208031 Retail Sale of Medical Apparatus
- XVIII. CE01021 Weights and Measuring Instruments Manufacturing
- XIX. F401181 Measuring Instruments Import
- XX. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- XXI. F113070 Wholesale of Telecommunication Apparatus
- XXII. F213060 Retail Sale of Telecommunication Apparatus
- XXIII. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- XXIV. E603080 Traffic Signs Installation Engineering
- XXV. E603090 Lighting Equipments Construction
- XXVI. EZ06010 Traffic Marking Engineering
- XXVII. F113090 Wholesale of Traffic Sign Equipments and Materials
- XXVIII. IG03010 Energy Technical Services
- XXIX. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
- XXX. CE01030 Optical Instruments Manufacturing
- XXXI. CB01990 Other Machinery Manufacturing
- XXXII. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
- XXXIII. C199990 Manufacture of Other Food Products Not Elsewhere Classified
- XXXIV. C101010 Slaughter
- XXXV. C801010 Basic Industrial Chemical Manufacturing
- XXXVI. C801990 Other Chemical Materials Manufacturing
- XXXVII. C802120 Industrial and Additive Manufacturing
- XXXVIII. C802990 Other Chemical Products Manufacturing
- XXXIX. F107170 Wholesale of Industrial Catalyst
- XL. F107200 Wholesale of Chemical Feedstock
- XLI. F107990 Wholesale of Other Chemical Products
- XLII. F101050 Wholesale of Fishery Products
- XLIII. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products
- XLIV. F113030 Wholesale of Precision Instruments

- XLV. F213040 Retail Sale of Precision Instruments
- XLVI. CE01010 General Instrument Manufacturing
- XLVII. I103060 Management Consulting
- XLVIII. F102030 Wholesale of Tobacco Products and Alcoholic Beverages
- XLIX. F201010 Retail Sale of Agricultural Products
- L. F203020 Retail Sale of Tobacco and Alcohol
- LI. F208040 Retail Sale of Cosmetics
- LII. F301010 Department Stores
- LIII. F301020 Supermarkets
- LIV. F399010 Convenience Stores
- LV. F501060 Restaurants
- LVI. J901020 Hotels and Motels
- LVII. JB01010 Conference and Exhibition Services
- LVIII. CC01050 Data Storage Media Units Manufacturing
- LIX. CC01120 Data Storage Media Manufacturing and Duplicating
- LX. I301010 Software Design Services
- LXI. I301020 Data Processing Services
- LXII. I301030 Electronic Information Supply Services
- LXIII. JZ99050 Agency Services
- LXIV. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

The Company may invest in other companies or make external guarantee for business need. The total investment amount may exceed 40% of the paid-in capital.

The Company's headquarter is located in New Taipei City. The Company may set up branch companies within Taiwan or abroad by resolution of the Board of Directors.

Chapter 2 Shares

The Company's authorized capital is NT\$1 billion divided by 0.1 billion shares with par value of NT\$10. The Board of Directors is authorized to issue the unissued shares in installments.

The company's shares are all registered with serial numbers and affixed with the signatures or personal seals of the director representing the company. The shares are duly certified or authenticated by the bank which is competent to certify shares under the laws. The Company may be exempted from printing any share certificate for the shares issued but shall register the issued shares with a centralized securities depository enterprise.

Treasury shares of the Company may be transferred to employees at a price lower than the average price at which the shares are actually bought back by the resolution adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

Shareholders of the Company shall, unless otherwise provided by the laws and regulations, proceed with the exercise of their rights in relation to transfer of share ownership, creation of pledge, reporting of loss, succession, donation, alteration of seal or address, etc., in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

There are two kinds of Shareholders' meeting: regular meeting and special meeting. The regular meeting is held once every year within 6 months after the end of fiscal year. The special meeting is held when necessary.

A shareholders meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.

The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Chapter 3 Shareholders' Meeting

If a shareholder is not able to attend the shareholders' meeting, he may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney issued by the Company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Each share held by the Company's shareholder has one voting right unless ruled out by the Company Act or other related regulations.

The shareholders' meeting is handled according to Rules of Procedures for Shareholders' Meeting. Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Chapter 4 Director, Audit Committee, and Managerial Officer

The Company has 7 to 9 directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The Board of Directors is authorized to decide the number of directors. The tenure of directors is three years. The director is eligible for re-election.

There should be no less than three independent directors among the aforementioned directors and no less than one fifth of director seats. The candidates nomination system is adopted in election of directors. The professional qualification, share ownership, limitation of holding concurrent post, nomination, election, and other compliance matters shall follow related regulations stipulated by competent securities authorities.

According to the Securities and Exchange Act, the Company has set up the audit committee and is composed of the entire number of independent directors. The responsibility, articles of incorporation, execution of duty, and other compliance matters shall follow the rules of competent authority.

If a director is not able to attend the board of directors' meeting, he may appoint a director to attend in his behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

The chairman shall be elected by a majority vote of the directors present at the meeting of board of directors attended by directors representing two-thirds of the directors. The chairman represents the Company.

The cause(s) or subject(s) of a board of directors' meeting to be convened shall be indicated in the individual notice to be given to directors. In the case of emergency, a meeting of the board of directors may be convened at any time. The convening of the afore-mentioned meeting may be conducted in written form, fax, or electronic mail.

In case the chairman is on leave or unable to exercise his/her functional duties for any reason, the proxy shall be done in accordance with Paragraph 3, Article 208 of the Company Act.

The board of directors is authorized to decide remuneration of directors according to the degree of participation in the Company's operation, value of contribution, and the average industry level. The Company may purchase liability insurance for directors.

The Company may set up a president and several vice presidents. The appointment, discharge, and remuneration shall follow Article 29 of the Company Act.

Chapter 5 Accounting

The fiscal year of the Company is from January 1 to December 31 of every year. The board of directors shall, at the end of each fiscal year, submit below reports and statements to the audit committee for review 30 days before the annual shareholders' meeting and submit them to the shareholders' meeting for ratification.

I. Business report.

II. Financial statements.

III. Proposal of earnings distribution or deficit appropriation.

If the Company is profitable, 5% to 10% of the profit shall be allocated as compensation to employees and no more than 2% of the profit should be allocated as compensation to directors. Loss shall be first offset if there is accumulated loss.

The payout of employee and director remuneration shall be made by majority of vote of the directors present at the meeting of board of directors attended by directors representing two-thirds of the directors. The above resolution shall be reported to the shareholders' meeting.

The employee remuneration shall be made by shares or cash. The remuneration may be paid to employees of affiliated companies that meet certain conditions.

The payment of director remuneration shall only be made in cash.

If the Company has net income for the year, the tax shall be paid first and accumulated loss shall be offset; then 10% of legal reserve shall be appropriated, and special reserve shall be appropriated or reversed according to law or rules from the competent authority. The board of directors shall propose distribution for the remaining amount and accumulated earnings from prior years and submit the proposal to shareholders' meeting for resolution and distribution.

The board of directors may distribute dividend, part or all of capital reserve or legal reserve in cash by majority of vote of the directors present at the meeting of board of directors attended by directors representing two-thirds of the directors. The resolution shall be reported to the shareholders' meeting.

Chapter 6 Appendix

The bylaws and rules of procedure of the Company shall be stipulated separately.

Any matter not covered by these Articles of Incorporation shall be subject to the Company Act.

The Articles of Incorporation was established on December 2, 1993.

The 1st amendment was made on February 1, 1994.

The 2nd amendment was made on March 15, 1995.

The 3rd amendment was made on November 15, 1999.

The 4th amendment was made on October 5, 2000.

The 5th amendment was made on March 5, 2002.

The 6th amendment was made on February 17, 2003.

The 7th amendment was made on May 28, 2003.

The 8th amendment was made on June 11, 2004.

The 9th amendment was made on June 14, 2005.

The 10th amendment was made on June 14, 2006.

The 11th amendment was made on June 13, 2007.

The 12th amendment was made on June 19, 2008.

The 13th amendment was made on June 16, 2009.

The 14th amendment was made on October 15, 2009.

The 15th amendment was made on April 28, 2010.

The 16th amendment was made on June 6, 2012.

The 17th amendment was made on June 10, 2013.

The 18th amendment was made on June 25, 2014.

The 19th amendment was made on May 31 2016.

The 20th amendment was made on June 11, 2020.

The 21st amendment was made on August 18, 2021.

The 22nd amendment was made on May 31, 2022.

The 23rd amendment was made on May 30, 2023.