

Stock Code: 3022



Handbook for the 2023 Annual Meeting of Shareholders

Date: 16 June, 2023

Place: 6F, No. 29, Zhongxing Rd, Xizhi District, New Taipei City, Taiwan
(Physical Meeting)

MOPS: <https://mops.twse.com.tw>

Company website: <https://www.ieiworld.com>

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【Meeting Agenda】

1. Time: 16 June, 2023 (Friday) 9:00 a.m.
2. Format: Physical Shareholders' Meeting
3. Place: 6F, No. 29, Zhongxing Rd, Xizhi District, New Taipei City, Taiwan
(our company's education training center)
4. Chairperson Remarks
5. Report Items:
 - I. 2022 Business Report
 - II. Audit Committee's Review Report on the 2022 Financial Statements
 - III. 2022 Employees' and Directors' Remuneration Proposal
6. Acknowledgement Items:
 - I. Adoption of the 2022 Business Report and Financial statements
 - II. Adoption of the Proposal for Distribution of 2022 profits
7. Discussion Items:
 - I. The proposed amendment to our "Articles of Incorporation".
 - II. The proposed amendment to our "Rules of Procedures for Shareholders' meetings".
8. Election Matters: Election of directors.
9. Other Matters: The Proposal for Release the Prohibition on newly elected Directors from Participation in Competitive Business.
10. Questions and Motions
11. Adjournment

【Report Items】

【Report No.1】

2022 Business Report

Explanation :

2022 Business report is attached in the handbook, attachment 1 (p.8-p.9)

【Report No.2】

Audit Committee's Review Report on the 2022 Financial Statements

Explanation :

1. Our company's 2022 Financial statements have been reviewed and approved by Audit Committee.
2. The Audit Committee's Review Report is attached in the handbook, attachment 2 (p.10)

【Report No.3】

2022 Employees' and Directors' Remuneration Proposal

Explanation :

As per Article 19 of our Articles of Incorporation, it is recommended to appropriate an amount of NT\$91,975,745 for employee compensation and NT\$3,300,000 for director remuneration from the profits of 2022. These amounts will be disbursed in cash. The amount are consistent with the expenses recorded in 2022 financial statements.

【Acknowledgement Items】

【Acknowledgement 1】

(Proposed by Board of Directors)

Proposal : Adoption of the 2022 Business Report and Financial statements

Explanation : 1. Our company's 2022 Business Report and Consolidated Financial statements (including Individual Financial statements) have been reviewed and accepted by Audit Committee and approved by the Board of Directors.
2. The above-mentioned Consolidated Financial statements (including Individual Financial statements) were audited by independent auditors, CPA Chen, Chung-Che and Lai, Li-Chen of KPMG in Taiwan.
3. The 2022 Business Report and Consolidated Financial statements (including Individual Financial statements) are attached in the handbook, attachment 1 and 3 (p.8-p.9 and p.11-p.25).

Resolution :

【Acknowledgement 2】

(Proposed by Board of Directors)

Proposal : Adoption of the Proposal for Distribution of 2022 profits

Explanation : 1. The proposal of Distribution for 2022 profits is attached in the handbook, attachment 4 (p.26).
2. Our company's net profit after tax for the fiscal year 2022 was NTD\$1,492,188,864, which was reduced by actuarial gains and losses adjusted into retained earnings of NTD\$1,114,983, and the statutory reserve required by law of NTD\$149,107,388, and increased by the reversal of special surplus reserve of NTD\$234,313,574. In addition, the undistributed earnings from the previous fiscal year were NTD\$3,167,017,750. Therefore, the total distributable earnings for this fiscal year are NTD\$4,743,297,817.
3. It is proposed to allocate NTD\$618,092,265 from the earnings to distribute cash dividends to shareholders at NTD\$3.5 per share, calculated to the nearest integer, with fractions less than one New Taiwan Dollar being rounded down. The total amount of the odd-lot dividend will be recorded into other income for our company.
4. After this proposal is approved by the shareholders' meeting, the Chairman is authorized to set the ex-dividend date, payment date, and handle matters related to the distribution of cash dividends. However, if there is a change in our company's share capital in the future that affects the number of outstanding shares, resulting in changes to the dividend payout ratio, the Chairman is proposed to be authorized by the shareholders' meeting to handle all the related matters.

Resolution :

【Discussion Items】

【Discussion 1】

(Proposed by Board of Directors)

Proposal : The proposed amendment to our “Articles of Incorporation”.

Explanation : 1. In accordance with the amendment of Company Act, Article 172-2 and for more flexibility for the way that our company convenes shareholders’ meetings, our company intends to amend our “Articles of Incorporation”.
2. Comparison of the provisions of the “Articles of Incorporation” before and after the amendments is attached in the handbook, attachment 5 (p.27).

Resolution :

【Discussion 2】

(Proposed by Board of Directors)

Proposal : The proposed amendment to our “Rules of Procedure for Shareholders’ meetings”.

Explanation : 1. In accordance with the amendment of Company Act, Article 172-2 and partial articles in samples template for “XXX Co., Ltd. Rules of Procedure for Shareholders’ meetings” amended by authority, our company intends to amend our “Rules of Procedure for Shareholders’ meetings”.
2. Comparison of the provisions of the “Rules of Procedure for Shareholders’ meetings” before and after the amendments is attached in the handbook, attachment 6 (p.28-p.34).

Resolution :

【Election Matters】

【Election 1】

(Proposed by Board of Directors)

Proposal : Election of directors.

Explanation : 1. The term of our company's Board of Directors expires on June 11, 2023 and shall be re-elected according to the law. In accordance with our Articles of Incorporation, 7 directors (including 3 independent directors) shall be elected. Our company adopted the candidate nomination system, and the newly elected directors will start from June 16, 2023 to June 15, 2026 for a term of three years. Audit Committee shall consist of all independent directors after election.

2. Candidate list of Directors (including Independent Directors) has been approved by the resolution of Board of directors on May 5, 2023. The list is as follow:

Title	Name	Education	Experience	Current Position	Shareholding
Director	Representative of QNAP Systems Inc.: CHANG MING-CHIH	Computer Science and Information Engineering of National Taiwan University	General Manager of QNAP Systems Inc.	Chairman of IEI Integration Corp.	23,963,007
Director	JIANG JONQ-LIANG	PhD of Arizona State Univ. IE	General Manager of U POWER in Kaohsiung	General Manager of IEI Integration Corp.	205,374
Director	LIOU, WEN-YI	Master in Dep. of Electrical Engineering of National Taiwan University	Deput General Manager of Kao Hsuan Technology Research	COO of QNAP Systems Inc.	8,657
Director	LI, YING-YIN	Master in Dep. of Literature of National Taiwan Normal University	Director of IEI Integration Corp.	Director of IEI Integration Corp.	2,148,759
Independent Director	HO, IN-CHYUAN	PhD of Electrical Engineering of National Cheng Kung University	Vice Chairman of VinceraCapital	Chairman of Accuvest Management Inc., Chairman of Pin Mao Investment Corp., Representative of juristic person director of Nanmat Technology Co., LTD., Director of Chun Mao Investment Corp., Director of Chun Sheng Investment Corp.	-
Independent Director	HSU, JIA-LIEN	PhD of Engineering of National Tsing Hua University	Professor of Fu Jen Catholic University	Professor of Fu Jen Catholic University	-
Independent Director	LO, WEN-PAO	Dep. of Transportation Management of Tamkang University	Chairman of Castec International Corp.	Chairman and general manager of Castec International Corp.	-

Result of election :

【Other Matters】

【Proposal 1】

(Proposed by Board of Directors)

Proposal : The proposal for Release the Prohibition on newly elected Directors from participation in Competitive Business.

Explanation : 1. To meet our company's business strategy and actual operational needs, we propose to allow our company's directors, juristic person directors, and the assigned representatives to engage in activities within the scope of our company's business on behalf of themselves or others without being limited by Article 209 of the Company Act.

2. The following is the information of the directors (including independent directors) candidates' concurrent positions in other companies:

Position	Name	Concurrent positions in other companies
Director	QNAP Systems Inc. Representative : CHANG, MING-CHIH	1. Director and general manager of QNAP Systems Inc. 2. Chairman of Britemed Technology Inc.
Director	JIANG, JONQ-LIANG	1. Representative of juristic person director of Britemed Technology Inc.
Director	LIOU, WEN-YI	COO of QNAP Systems Inc.
Independent director	HO, IN-CHYUAN	1. Chairman of Acutest Management Inc. 2. Chairman of Pin Mao Investment Corp. 3. Representative of juristic person director of Nanmat Technology Co., LTD. 4. Director of Chun Mao Investment Corp. 5. Director of Chun Sheng Investment Corp.
Independent director	LO, WEN-PAO	Chairman and general manager of Castec International Corp.

Resolution :

【Questions and Motions】

【Adjournment】

Business Report

With the collective efforts of all colleagues of IEI Integration Corp., the consolidated operating revenue for fiscal year 2022 reached NT\$7,942,415 thousand, representing a 27.21% growth compared with last year. The consolidated net profit after tax was NT\$1,491,332 thousand, and the earnings per share after tax were NT\$8.45. The following is our company's 2022 business and financial status:

1. Results of business plan implementation :

Financial status and profitability analysis

Unit : NT\$1,000

Items		2021	2022	Increase (decrease)	Increase (decrease)%
Financial status	Consolidated operating revenue	6,243,509	7,942,415	1,698,906	27%
	Consolidated operating gross profit	2,092,342	2,878,511	786,169	38%
	Consolidated net profit after tax	865,580	1,491,332	625,752	72%
Profitability	Consolidated return on assets ratio	7.72%	11.98%	4.26%	55%
	Consolidated return on equity ratio	11.07%	17.27%	6.20%	56%
	Consolidated EBIT to paid-in capital ratio	58.82%	107.73%	48.91%	83%
	Consolidated net profit ratio	13.86%	18.78%	4.91%	35%
	EPS (dollar)	4.90	8.45	3.55	72%

2. Research and development directions :

Since the establishment, our company has been actively engaged in research and development work. In fiscal year of 2022, the total research and development expenses of the group amounted to NT\$554,961 thousand. We have nearly 300 professional research and development personnel specializing in various system products, including industrial computers, factory automation, network communication equipment, network storage and monitoring, intelligent medical and image surveillance equipment, and intelligent transportation. In the future, our company will continue to uphold the spirit of active research and development innovation and invest in the development of new products.

Percentage of R&D expenses in operating revenue in recent two years

Unit : NT\$1,000

Items \ Year	2021	2022
Research and Development expenses amount	496,794	554,961
Operating revenue	6,243,509	7,942,415
Percentage of R&D expenses in operating revenue	7.96%	6.99%

《Attachment 1》

Facing various unknown and potentially unpredictable global situations, such as climate environment change, political instability, and economic turbulence, our company expects to devote itself to the three main market areas of edge computing, networking, and healthcare, with more systematic and real-time strategy adjustments and response capabilities. While facing severe challenges, we aim to move steadily towards the dual goals of revenue and profit with a solid and steady pace.

Last but not least, we are grateful to every shareholder for the consistent support and guide. Thank you all!

Wish you all good health and all the best!

Chairman : CHANG, MING-CHIH
General Manager : JIANG, JONQ-LIANG
Executive Accountant : WEI TI-SZU

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Consolidated Financial Statements, Individual Financial Statements and Proposals of Earnings Distribution. The CPA of KPMG was retained to audit Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements and Proposals of Earnings Distribution have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

IEI Integration Corp.
2023 Annual Shareholders' Meeting

Convener of Audit Committee: HO, IN-CHYUAN

March 10, 2023

Financial Statements of 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the IEI Integration Corp.:

Opinion

We, the undersigned, have audited the accompanying consolidated financial statements of IEI Integration Corp. and its subsidiaries (collectively the “Group”), which comprise the consolidated balance sheet as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the period from January 1 to December 31, 2022 and 2021, as well as notes to the consolidated financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements are compiled, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China and fairly represent the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flows for the period from January 1 to December 31, 2022 and 2021.

Basis for Opinion

We conducted the within audits according to 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 the standards are more fully set forth in the Auditors' Responsibilities in Audits of consolidated Financial Statements section of this report. We the practitioners at KPMG who are subject to the standards of independence have remained independent of the Group, and we have fulfilled the ethical responsibilities prescribed in The Norm of Professional Ethics for Certified Public Accountants of the Republic of China. We believe that the evidence we have obtained through the audits is adequate and sufficient to provide the basis for our opinion.

Key Audit Matters

“Key audit matters” are those areas that, in our professional judgment, were most important within the purview of the audit of the Group’s consolidated financial statements for the year ending on December 31, 2022. As these matters have substantively been addressed in the context of our audit of the Group’s consolidated financial statements as a whole, and we do not separately express any opinions on the matters.

1. Sales Recognition

Please refer to Note 4(16) and Note 6(17) to these consolidated financial statements for the accounting policies and discussions, respectively, concerning sales recognition.

Explanation

The Group transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China and recognizes the sales revenue upon transfer of control to the buyers. However, the timing of the transfer of control varies per transaction due to variations in delivery conditions depending on the negotiated times and locations for delivery based on the terms of the respective agreements, which might cause sales revenues to be recognized in the wrong reporting period for the sales realized close to the cutoff date of the last period. Therefore, we recognized the assessment of the adequacy of the timing of sales recognition was one of the key audit matters in our audit of the Group's consolidated financial statements.

Procedure:

- Assess relevant control procedures and execution efficiency in the delivery and payment cycle.
- Sample and audit the accuracy of sales recognition dates for product sales recorded within set time period(s) before and after the date of the balance sheet.
- Examine relevant documents to verify the adequacy of the timings of transfer of control and the reasonableness of each sales recognition.

2. Inventory Valuation

Please refer to Note 4(8), Note 5(1) and Note 6(5), to these consolidated financial statements for the accounting policies concerning inventory, the accounting estimates and presumption of uncertainty in inventory valuation, and details of inventory values, respectively.

Explanation

The value of inventory in the financial statements is the cost or net realizable value, whichever is lower. The rapid roll-out of next-gen products and intense competition in the market might cause the cost of inventory to exceed its net realizable value.

Procedure

- Assess the Group's statement and analysis of inventory age and analyze changes in inventory age in the respective time periods.
- Obtain valid statements of changes to verify the accuracy of the reporting periods for inventory age.
- Sample the current replacement costs for raw materials and current product market values, and re-compute the net realized value upon assessment of the promotional expense ratio, to evaluate the reasonableness of the net realized value reported by the Group in the statements.

Relevant Information

We have audited and issued an opinion without reservation on the parent only financial statements of IEI Integration Corp. for the years ending on December 31, 2022 and 2021.

Responsibilities of Management and Governing Bodies for the Consolidated Financial Statements

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for maintaining such internal procedures as it deems necessary for the preparation thereof, to ensure the consolidated financial statements are free of material misrepresentation, whether due to fraud or mistake.

In preparing the consolidated financial statements, management is also responsible for evaluating the Group's ability to continue as a going concern, disclosure of pertinent information, and implementation of going concern basis of accounting, unless management intends to liquidate or cease the operations of the Group, or has no other practicable alternatives other than doing so.

The governing bodies of the Group, including the Audit Committee, are responsible for overseeing its financial reporting process.

Auditors' Responsibilities in Auditing the Consolidated Financial Statements

The objectives of our audit of the consolidated financial statements are to deduce reasonable assurance whether the consolidated financial statements as a whole are free of material misrepresentation, whether due to fraud or mistake, and to issue a report on our findings and opinion. Reasonable assurance denotes a high level of certainty, but is not a guarantee that an audit conducted according to the Standards on Auditing of the Republic of China will always ferret out a material misrepresentation when it exists in the consolidated financial statements. Misrepresentations can arise from fraud or mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users who make such decisions on the basis of these consolidated financial statements.

We exercised professional judgment and maintained professional skepticism in conducting the audit pursuant to the Standards on Auditing of the Republic of China. In addition, we:

1. Identified and assessed potential material misrepresentations in the consolidated financial statements, whether due to fraud or mistake; planned and executed responsive procedures to the potentials thus identified; and deduced valid and sufficient evidence to form the bases for our opinion. Because fraud involves conspiracy, forgery, intentional omissions, deceitful representation, and/or matters beyond internal control, the probability of failing to identify a material misrepresentation as a result of fraud is higher than that as a result of mistake.
2. Attained an adequate understanding of the internal procedures that had bearings on the audit in planning for such audit procedures suitable for the circumstances, although the purpose was not to express any opinions concerning the efficacy of said internal procedures.
3. Evaluated the adequacy of the accounting policies and the reasonableness of the accounting estimates and relevant disclosures made by management.

4. Drew conclusion, based on evidence obtained from the audit, on the adequacy of the going concern basis of accounting implemented by management and the existence of material uncertainty whether there might be matters or circumstances that might cast significant doubt on the Group's ability to continue as a going concern. If we believed such a material uncertainty existed, we were required in the auditors' report to draw the attention of the consolidated financial statements to the relevant disclosures made therein, or, in the case that the disclosures were deemed inadequate, to amend our opinion. Our conclusions are based on evidence obtained in the course of the audit up to the date of this auditors' report. Future events or conditions might nevertheless affect the ability of the Group to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements fairly represent the underlying transactions and matters.
6. Expressed our opinion concerning the consolidated financial statements upon obtaining adequate and sufficient audit evidence on the financial status of the Group's constituent entities. We were responsible for the direction, supervision and execution of the audit activities and for deriving an opinion therefrom about the Group.

Matters we discussed with the governing bodies include planned scope and timing of the audit and important audit findings, including significant deficiencies in the internal procedures identified during the course of the audit.

We also provided the governing bodies with a statement that we the practitioners at KPMG who are subject to the standards of independence have complied with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence, and communicated to the governing bodies all the relationships and other matters that might be deemed to affect the independence of the auditors, including relevant safeguards.

In the matters discussed with the governing bodies, we determined which matters were of the most significance in auditing the consolidated financial statements (i.e., the key audit matters) for the year ending on December 31, 2022. We describe these matters in the auditors' report unless disclosure of the matters is forbidden by law or regulations or when, in extremely rare circumstances, we have determined that a particular matter should not be discussed in our report, in which case it should reasonably be inferred that the detrimental effects from the disclosure outweigh the public interest.

Audit undertaken and report prepared by Chen, Chung-Che and Lai, Li-Chen

KPMG
Taipei, Taiwan
Republic of China

IEI Integration Corp. and Subsidiaries
CONSOLIDATED BALANCE SHEET
As of December 31, 2022 and 2021

In thousands of NTD

ASSETS		Notes	Dec. 31, 2022		Dec. 31, 2021		Notes	LIABILITIES AND EQUITY					
			Amount	%	Amount	%		Amount	%	Amount	%		
Current Assets:							Current Liabilities:						
1100	Cash and cash equivalents	6(1)(20)	\$ 4,137,537	31	3,539,466	32	2130	Contract liabilities - current	6(17)&7	\$ 530,865	4	499,060	4
1110	Financial assets at fair value through profit or loss - current	6(2)(20)	381,000	3	-	-	2170	Accounts payable	6(20)	1,234,942	9	1,013,117	9
1170	Notes and accounts receivable, net	6(4)(17)(20)	972,262	7	955,015	8	2180	Accounts payable to related parties	6(20)&7	148,467	1	108,321	1
1180	Accounts receivable from related parties, net	6(20)&7	19,600	-	45,939	-	2219	Other payables	6(20)	634,530	5	497,397	4
1210	Other receivables from related parties	6(20)&7	171,114	1	305,495	3	2220	Other payables to related parties	6(20)&7	128,613	1	268,699	2
130X	Inventory	6(5)	1,798,197	14	1,530,051	13	2230	Income tax payable		426,973	3	188,276	2
1476	Other financial assets - current	6(6)(20)&8	1,477,113	11	295,393	3	2280	Lease liabilities - current	6(11)(20)	11,070	-	8,004	-
1479	Other current assets		222,013	2	166,340	1	2399	Other current liabilities		37,239	-	22,288	-
			9,178,836	69	6,837,699	60				3,152,699	23	2,605,162	22
Non-current Assets:							Non-current Liabilities:						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)(20)	32,025	-	36,639	-	2570	Deferred income tax liabilities		921,131	7	893,546	8
1550	Investments accounted for using equity method	6(7)	2,403,180	18	2,184,461	19	2580	Lease liabilities - non-current	6(11)(20)	10,298	-	3,612	-
1600	Property, plant and equipment	6(8)&7	1,312,659	10	1,209,310	10	2670	Other non-current liabilities		57,155	1	56,329	-
1755	Right-of-use assets	6(9)	20,534	-	10,163	-				988,584	8	953,487	8
1760	Investment properties, net	6(10)	277,453	2	283,250	2		Total Liabilities		4,141,283	31	3,558,649	30
1821	Other intangible assets, net		20,341	-	16,666	-	Equity Attributable to Shareholders of the Parent						
1840	Deferred income tax assets		99,099	1	65,190	1	3100	Share Capital		1,765,978	13	1,765,978	15
1975	Net defined benefit assets - non-current	6(13)	8,093	-	8,811	-	3200	Capital surplus		820,437	6	820,325	7
1980	Other financial assets - non-current	6(6)(20)	-	-	911,712	8		Retained earnings:					
1990	Other non-current assets		21,361	-	32,197	-	3310	Legal reserve		1,753,262	13	1,665,388	15
			4,194,745	31	4,758,399	40	3320	Special reserve		687,892	5	604,488	5
							3350	Unappropriated retained earnings		4,658,093	35	3,868,090	34
Total Assets			<u>\$ 13,373,581</u>	<u>100</u>	<u>11,596,098</u>	<u>100</u>				7,099,247	53	6,137,966	54
							3400	Other equity		(453,579)	(3)	(687,892)	(6)
								Total equity attributable to shareholders of parent		9,232,083	69	8,036,377	70
							36XX	Non-controlling interests		215	-	1,072	-
								Total Equity		9,232,298	69	8,037,449	70
								Total Liabilities and Equity		<u>\$ 13,373,581</u>	<u>100</u>	<u>11,596,098</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

IEI Integration Corp.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
January 1 to December 31, 2022 and 2021

In thousands of NTD

	Notes	2022		2021	
		Amount	%	Amount	%
4110 Sales Revenue		\$ 7,975,814	99	6,270,298	100
4170 Sales returns and discounts		33,399	(1)	26,789	-
Net Sales Revenue	6(17)&7	<u>7,942,415</u>	<u>100</u>	<u>6,243,509</u>	<u>100</u>
5110 Cost of Sales	6(5)(13)&7&12	<u>5,062,708</u>	<u>64</u>	<u>4,151,602</u>	<u>66</u>
Gross Profit		<u>2,879,707</u>	<u>36</u>	<u>2,091,907</u>	<u>34</u>
5910 Unrealized profit (loss) from sales		(1,526)	-	(330)	-
5920 Realized profit (loss) from sales		330	-	765	-
Gross Profit from operations		<u>2,878,511</u>	<u>36</u>	<u>2,092,342</u>	<u>34</u>
Operating Expenses	6(4)(13)(18)&7&12				
6100 Selling expenses		527,140	7	448,105	7
6200 General and administrative expenses		464,882	6	427,443	7
6300 Research and development expenses		554,961	7	496,794	8
6450 Expected credit impairment loss (gain)		13,829	-	(923)	-
Total Operating Expenses		<u>1,560,812</u>	<u>20</u>	<u>1,371,419</u>	<u>22</u>
Net Operating Income		<u>1,317,699</u>	<u>16</u>	<u>720,923</u>	<u>12</u>
Non-operating Income and Expenses	6(12)(19)&7				
7100 Interest income		76,942	1	47,729	1
7010 Other income		92,269	1	56,928	1
7020 Other gains and losses, net		296,319	4	(37,627)	(1)
7050 Finance costs		(5,293)	-	(441)	-
7060 Share of profits of associates and joint ventures accounted for using equity method, net		124,475	2	251,196	4
Total Non-operating Income and Expenses		<u>584,712</u>	<u>8</u>	<u>317,785</u>	<u>5</u>
Profit Before Income Tax		<u>1,902,411</u>	<u>24</u>	<u>1,038,708</u>	<u>17</u>
7950 Income tax expense	6(14)	<u>411,079</u>	<u>4</u>	<u>173,128</u>	<u>3</u>
Profit for the year		<u>1,491,332</u>	<u>20</u>	<u>865,580</u>	<u>14</u>
8300 Other Comprehensive Income :					
8310 Components that will not be reclassified to profit or loss					
8311 Gain/(loss) on re-measurements of defined benefit plans		(1,394)	-	15,999	-
8316 Unrealized gain/(loss) from investments in equity instruments measured at fair value through other comprehensive income		(10,114)	-	3,158	-
8320 Share of other comprehensive gain/(loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		140,853	2	(45,223)	(1)
8349 Income tax related to components that will not be reclassified to profit or loss		279	-	(3,200)	-
Total components that will not be reclassified to profit or loss		<u>129,624</u>	<u>2</u>	<u>(29,266)</u>	<u>(1)</u>
8360 Components that will be reclassified to profit or loss					
8361 Exchange differences on translation		80,917	1	(33,028)	(1)
8370 Share of other comprehensive gain/(loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		22,657	-	(8,311)	-
8399 Income tax related to components that will be reclassified to profit or loss		-	-	-	-
Total components that will be reclassified to profit or loss		<u>103,574</u>	<u>1</u>	<u>(41,339)</u>	<u>(1)</u>
8300 Other Comprehensive Income (Loss), net		<u>233,198</u>	<u>3</u>	<u>(70,605)</u>	<u>(2)</u>
Total Comprehensive Income		<u>\$ 1,724,530</u>	<u>23</u>	<u>794,975</u>	<u>12</u>
Profit Attributable to:					
8610 Shareholders of the parent company		\$ 1,492,189	20	865,945	14
8620 Non -controlling interests		(857)	-	(365)	-
		<u>\$ 1,491,332</u>	<u>20</u>	<u>865,580</u>	<u>14</u>
Comprehensive Income Attributable to:					
8710 Shareholders of the parent company		\$ 1,725,387	23	795,340	12
8720 Non -controlling interests		(857)	-	(365)	-
		<u>\$ 1,724,530</u>	<u>23</u>	<u>794,975</u>	<u>12</u>
Earnings per Share (NT\$)					
Basic Earnings per Share (NT\$)	6(16)	<u>\$ 8.45</u>		<u>4.90</u>	
Diluted Earnings per Share (NT\$)	6(16)	<u>\$ 8.38</u>		<u>4.86</u>	

The accompanying notes are an integral part of the consolidated financial statements.

IEI Integration Corp. and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
January 1 to December 31, 2022 and 2021

In thousands of NTD

Code	Equity Attributable to Shareholders of the Parent Company						Others		Total Equity Attributable to Shareholders of the parent company	Non-controlling Interests	Total Equity		
	Share Capital		Retained Earnings				Exchange differences on translation of foreign financial statements	Unrealized Gain (Loss) on financial assets measured at fair value through other comprehensive Income					
	Common Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated retained earnings	Total						Total	
A1	Balance at January 1, 2021	\$ 1,765,978	819,341	1,566,050	635,680	3,410,688	5,612,418	(472,411)	(132,077)	(604,488)	7,593,249	1.43	7,594,686
D1	Profit for the year	-	-	-	-	865,945	865,945	-	-	-	865,945	(365)	865,580
D3	Other comprehensive income (loss)	-	-	-	-	12,799	12,799	(41,339)	(42,065)	(83,404)	(70,605)	-	(70,605)
D5	Total comprehensive income (loss)	-	-	-	-	878,744	878,744	(41,339)	(42,065)	(83,404)	795,340	(365)	794,975
	Earnings appropriation and distribution:												
B1	Legal reserve appropriated	-	-	99,338	-	(99,338)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(353,196)	(353,196)	-	-	-	(353,196)	-	(353,196)
B17	Reversal of special reserve	-	-	-	(31,192)	31,192	-	-	-	-	-	-	-
	Changes in other capital reserves:												
C7	Adjustments to share of changes in equities of associates	-	(1,872)	-	-	-	-	-	-	-	(1,872)	-	(1,872)
C17	Other changes in capital reserves	-	2,856	-	-	-	-	-	-	-	2,856	-	2,856
	Balance at December 31, 2021	1,765,978	820,325	1,665,388	604,488	3,868,090	6,137,966	(513,750)	(174,142)	(687,892)	8,036,377	1.07	8,037,449
D1	Profit for the year	-	-	-	-	1,492,189	1,492,189	-	-	-	1,492,189	(857)	1,491,332
D3	Other comprehensive income (loss)	-	-	-	-	(1,115)	(1,115)	103,574	130,739	234,313	233,198	-	233,198
D5	Total comprehensive income (loss)	-	-	-	-	1,491,074	1,491,074	103,574	130,739	234,313	1,725,387	(857)	1,724,530
	Earnings appropriation and distribution:												
B1	Legal reserve appropriated	-	-	87,874	-	(87,874)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	83,404	(83,404)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(529,793)	(529,793)	-	-	-	(529,793)	-	(529,793)
	Changes in other capital reserves:												
C7	Adjustments to share of changes in equities of associates	-	(134)	-	-	-	-	-	-	-	(134)	-	(134)
C17	Other changes in capital reserves	-	246	-	-	-	-	-	-	-	246	-	246
Z1	Balance at December 31, 2022	\$ 1,765,978	820,437	1,753,262	687,892	4,658,093	7,099,247	(410,176)	(43,403)	(453,579)	9,232,083	21	9,232,298

The accompanying notes are an integral part of the consolidated financial statements.

IEI Integration Corp.
CONSOLIDATED STATEMENT OF CASH FLOWS
January 1 to December 31, 2021 and 2022

In thousands of NTD

	2022	2021
AAAA Cash Flows from Operating Activities:		
A10000 Profit before income tax	\$ 1,902,411	1,038,708
A20000 Adjustments items:		
A20100 Depreciation expense	112,661	104,173
A20200 Amortization expense	22,613	18,850
A20300 Expected credit impairment loss (reversal of impairment loss)	13,829	(923)
A20400 Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,587)	(16,664)
A20900 Interest expense	5,293	441
A21200 Interest income	(76,942)	(47,729)
A21300 Dividend income	(647)	(1,581)
A22300 Share of profits of associates and joint ventures accounted for using equity method	(124,475)	(251,196)
A22500 Impairment loss (gain) on property, plant and equipment	25,936	756
A23100 Impairment loss (gain) on investments	-	(124)
A23700 Allowance for inventory valuation and obsolescence loss	155,547	35,377
A24000 Unrealized (realized) profit from sales	1,196	(435)
A24100 Unrealized loss (gain) on foreign exchange	(59,982)	(3,718)
A20010 Total adjustments to reconcile profit (loss)	72,442	(162,773)
A30000 Changes in operating assets and liabilities:		
A31115 Decrease (increase) in financial assets measured at fair value through profit and loss	(378,413)	76,667
A31150 Decrease (increase) in Notes and accounts receivable	(22,579)	144,879
A31160 Decrease (increase) in accounts receivable from related parties	63,222	(20,232)
A31190 Decrease (increase) in other receivables from related parties	188,365	(118,672)
A31200 Decrease (increase) in Inventory	(390,428)	(471,324)
A31240 Decrease (increase) in Other current assets	(14,695)	(51,580)
A31990 Decrease (increase) in Net defined benefit assets	(676)	(847)
A32000 Changes in operating liabilities, net:		
A32125 Increase (decrease) in contract liabilities	31,805	233,854
A32150 Increase (decrease) in Notes and accounts payable	227,589	91,799
A32160 Increase (decrease) in accounts payable to related parties	19,791	(46,401)
A32180 Increase (decrease) in other payables	121,828	5,178
A32190 Increase (decrease) in Other payables to related parties	(146,553)	13,868
A32200 Increase (decrease) in liability provisions	4,155	(1,079)
A32230 Increase (decrease) in Other current liabilities	293	8,555
A30000 Total changes in operating assets and liabilities	(296,296)	(135,335)
A20000 Total adjustments	(223,854)	(298,108)
A33000 Cash inflow generated from operations	1,678,557	740,600
A33100 Interest received	40,358	17,105
A33200 Dividends received	69,779	103,371
A33300 Interest paid	(5,293)	(441)
A33500 Income tax paid	(178,599)	(144,994)
AAAA Net cash flows from (used in) operating activities	1,604,802	715,641
BBBB Cash Flows from Investing Activities:		
B00010 Acquisition of financial assets at fair value through other comprehensive income	(6,000)	-
B00030 Proceeds from capital reduction of financial assets at fair value through other comprehensive income	500	2,700
B01900 Disposals of investment accounted for using equity method	-	8,019
B02700 Acquisition of property, plant and equipment	(194,171)	(145,678)
B02800 Disposal of property, plant and equipment	4,225	2,469
B04500 Acquisition of intangible assets	(25,523)	(27,472)
B06500 Decrease (increase) of other financial assets	(232,291)	821,552
B06700 Decrease (increase) of other non-current assets	8,845	(8,826)
BBBB Net cash flows from (used in) investing activities	(444,415)	652,764
CCCC Cash Flows from Financing Activities:		
C03000 Decrease in guarantee deposit received	(151)	(395)
C04020 Payment of lease liabilities	(11,413)	(9,132)
C04500 Cash dividends paid	(529,793)	(353,196)
C09900 Other financing activities	32	-
CCCC Net cash flows from (used in) financing activities	(541,325)	(362,723)
DDDD Effects of Exchange Rate changes on Cash and Cash Equivalents	(20,991)	(6,448)
EEEE Net Increase in Cash and Cash Equivalents	598,071	999,234
E00100 Cash and Cash Equivalents at Beginning of Year	3,539,466	2,540,232
E00200 Cash and Cash Equivalents at End of Year	\$ 4,137,537	3,539,466

The accompanying notes are an integral part of the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the IEI Integration Corp.:

Opinion

We, the undersigned, have audited the accompanying individual financial statements of IEI Integration Corp. (the “Company”), which comprise the balance sheet as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the period from January 1 to December 31, 2022 and 2021, as well as notes to the individual financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying individual financial statements are compiled, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and fairly represent the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the period from January 1 to December 31, 2022 and 2021.

Basis for Opinion

We conducted the within audits according to 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 the standards are more fully set forth in the Auditors' Responsibilities in Audits of Individual Financial Statements section of this report. We the practitioners at KPMG who are subject to the standards of independence have remained independent of the Company, and we have fulfilled the ethical responsibilities prescribed in The Norm of Professional Ethics for Certified Public Accountants of the Republic of China. We believe that the evidence we have obtained through the audits is adequate and sufficient to provide the basis for our opinion.

Key Audit Matters

“Key audit matters” are those areas that, in our professional judgment, were most important within the purview of the audit of the Company’s individual financial statements for the year ending on December 31, 2022. As these matters have substantively been addressed in the context of our audit of the Company’s individual financial statements as a whole, and we do not separately express any opinions on the matters.

1. Sales Recognition

Please refer to Note 4(16) and Note 6(17) to these individual financial statements for the accounting policies and discussions, respectively, concerning sales recognition.

Explanation

The Company transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China and recognizes the sales revenue upon transfer of control to the buyers. However, the timing of the transfer of control varies per transaction due to variations in delivery conditions depending on the negotiated times and locations for delivery based on the terms of the respective agreements, which might cause sales revenues to be recognized in the wrong reporting period for the sales realized close to the cutoff date of the last period. Therefore, we recognized the assessment of the adequacy of the timing of sales recognition was one of the key audit matters in our audit of the Company’s individual financial statements.

Procedure:

- Assess relevant control procedures and execution efficiency in the delivery and payment cycle.
- Sample and audit the accuracy of sales recognition dates for product sales recorded within set time

- period(s) before and after the date of the balance sheet.
- Examine relevant documents to verify the adequacy of the timings of transfer of control and the reasonableness of each sales recognition.

2. Inventory Valuation

Please refer to Note 4(7), Note 5(1) and Note 6(5) to these individual financial statements for the accounting policies concerning inventory, the accounting estimates and presumption of uncertainty in inventory valuation, and details of inventory values, respectively.

Explanation

The value of inventory in a financial statement is the cost or net realizable value, whichever is lower. The rapid roll-out of next-gen products and intense competition in the market might cause the cost of inventory to exceed its net realizable value.

Procedure

- Assess the Company's statement and analysis of inventory age and analyze changes in inventory age in the respective time periods.
- Obtain valid statements of changes to verify the accuracy of the reporting periods for inventory age.
- Sample the current replacement costs for raw materials and current product market values, and recompute the net realized value upon assessment of the promotional expense ratio, to evaluate the reasonableness of the net realized value reported by the Company in the statements.

Responsibilities of Management and Governing Bodies for the Individual Financial Statements

Management is responsible for the preparation and fair representation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining such internal procedures as it deems necessary for the preparation thereof, to ensure the individual financial statements are free of material misrepresentation, whether due to fraud or mistake.

In preparing the individual financial statements, management is also responsible for evaluating the Company's ability to continue as a going concern, disclosure of pertinent information, and implementation of the going concern basis of accounting, unless management intends to liquidate or cease the operations of the Company, or has no other practicable alternatives other than doing so.

The governing bodies of the Company, including the Audit Committee, are responsible for overseeing its financial reporting process.

Auditors' Responsibilities in Auditing the Individual Financial Statements

The objectives of our audit of the individual financial statements are to deduce reasonable assurance whether the individual financial statements as a whole are free of material misrepresentation, whether due to fraud or mistake, and to issue a report on our findings and opinion. Reasonable assurance denotes a high level of certainty, but is not a guarantee that an audit conducted according to the Standards on Auditing of the Republic of China will always ferret out a material misrepresentation when it exists in the individual financial statements. Misrepresentations can arise from fraud or mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users who make such decisions on the basis of these individual financial statements.

We exercised professional judgment and maintained professional skepticism in conducting the audit pursuant to the Standards on Auditing of the Republic of China. In addition, we:

1. Identified and assessed potential material misrepresentations in the individual financial statements, whether due to fraud or mistake; planned and executed responsive procedures to the potentials thus identified; and deduced valid and sufficient evidence to form the bases for our

opinion. Because fraud involves conspiracy, forgery, intentional omissions, deceitful representation, and/or matters beyond internal control, the probability of failing to identify a material misrepresentation as a result of fraud is higher than that as a result of mistake.

2. Attained an adequate understanding of the internal procedures that had bearings on the audit in planning for such audit procedures suitable for the circumstances, although the purpose was not to express any opinions concerning the efficacy of said internal procedures
3. Evaluated the adequacy of the accounting policies and the reasonableness of the accounting estimates and relevant disclosures made by management.
4. Drew conclusion, based on evidence obtained from the audit, on the adequacy of the going concern basis of accounting implemented by management and the existence of material uncertainty whether there might be matters or circumstances that might cast significant doubt on the Company's ability to continue as a going concern. If we believed such a material uncertainty existed, we were required in the auditors' report to draw the attention of the users of the individual financial statements to the relevant disclosures made therein, or, in the case that the disclosures were deemed inadequate, to amend our opinion. Our conclusions are based on evidence obtained in the course of the audit up to the date of this auditors' report. Future events or conditions might nevertheless affect the ability of the Company to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the individual financial statements, including the notes, and whether the individual financial statements fairly represent the underlying transactions and matters.
6. Expressed our opinion concerning the individual financial statements upon obtaining adequate and sufficient audit evidence on the financial status of the investees in investments accounted for using the equity method. We were responsible for the direction, supervision and execution of the audit activities and for deriving an opinion therefrom about the Company.

Matters we discussed with the governing bodies include planned scope and timing of the audit and important audit findings, including significant deficiencies in the internal procedures identified during the course of the audit.

We also provided the governing bodies with a statement that we the practitioners at KPMG who are subject to the standards of independence have complied with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence, and communicated to the governing bodies all the relationships and other matters that might be deemed to affect the independence of the auditors, including relevant safeguards.

In the matters discussed with the governing bodies, we determined which matters were of the most significance in auditing the individual financial statements (i.e., the key audit matters) for the year ending on December 31, 2022. We discuss these matters in the auditors' report unless disclosure of the matters is forbidden by law or regulations or when, in extremely rare circumstances, we have determined that a particular matter should not be discussed in our report, in which case it should reasonably be inferred that the detrimental effects from the disclosure outweigh the public interest.

Audit undertaken and report prepared by Chen, Chung-Che and Lai, Li-Chen,

KPMG
Taipei, Taiwan
Republic of China

IEI Integration Corp

Balance Sheet

As of December 31, 2022 and 2021

In thousands of NTD

		Dec. 31, 2022		Dec. 31, 2021				Dec. 31, 2022		Dec. 31, 2021		
		Amount	%	Amount	%			Amount	%	Amount	%	
ASSETS												
Current Assets:												
1100	Cash and cash equivalents	\$ 1,255,603	11	697,147	7	2130	Contract liabilities -current	6(17)&7	\$ 184,035	2	256,487	3
1110	Financial assets at fair value through profit or loss - current	381,000	3	-	-	2170	Accounts payable	6(20)	435,215	4	181,914	2
1170	Notes and accounts receivable, net	413,272	4	380,401	4	2180	Accounts payable to related parties	6(20)&7	382,180	3	414,976	4
1180	Notes and accounts receivable from related parties, net	257,607	2	158,468	2	2219	Other payables	6(20)	259,777	2	239,332	2
1210	Other receivables from related parties	11,694	-	12,844	-	2220	Other payables to related parties	6(20)&7	16,476	-	4,246	-
130X	Inventory	519,544	4	245,126	2	2230	Income tax payable		272,685	2	93,882	1
1476	Other financial assets - current	7,260	-	7,226	-	2280	Lease liabilities - current	6(11)(20)&7	6,931	-	3,011	-
1479	Other current assets	75,906	1	48,325	-	2399	Other current liabilities		23,066	-	16,813	-
		<u>2,921,886</u>	<u>25</u>	<u>1,549,537</u>	<u>15</u>				<u>1,580,365</u>	<u>13</u>	<u>1,210,661</u>	<u>12</u>
Non-current Assets:												
1517	Financial assets at fair value through other comprehensive income - non-current	32,025	-	36,639	-	2570	Deferred income tax liabilities	6(14)	921,131	8	893,354	9
1550	Investments accounted for using equity method	7,900,757	67	7,641,412	75	2580	Lease liabilities -non-current	6(11)(20)&7	10,298	-	-	-
1600	Property, plant and equipment	532,060	5	540,941	6	2670	Other non-current liabilities		105,843	1	69,410	1
1755	Right-of-use assets	16,526	-	2,937	-				<u>1,037,272</u>	<u>9</u>	<u>962,764</u>	<u>10</u>
1760	Investment properties, net	388,694	3	394,922	4				<u>2,617,637</u>	<u>22</u>	<u>2,173,425</u>	<u>22</u>
1821	Other intangible assets, net	15,123	-	11,648	-	Total Liabilities						
1840	Deferred income tax assets	34,361	-	22,154	-	Equity Attributable to Shareholders of the Parent		6(15)				
1975	Net defined benefit assets - non-current	8,093	-	8,811	-	3100	Share Capital		1,765,978	15	1,765,978	17
1990	Other non-current assets	195	-	801	-	3200	Capital surplus		820,437	7	820,325	8
		<u>8,927,834</u>	<u>75</u>	<u>8,660,265</u>	<u>85</u>		Retained earnings:					
						3310	Legal reserve		1,753,262	15	1,665,388	16
						3320	Special reserve		687,892	6	604,488	6
						3350	Unappropriated retained earnings		4,658,093	39	3,868,090	38
									<u>7,099,247</u>	<u>60</u>	<u>6,137,966</u>	<u>60</u>
						3400	Other equity		(453,579)	(4)	(687,892)	(7)
							Total Equity		<u>9,232,083</u>	<u>78</u>	<u>8,036,377</u>	<u>78</u>
Total Assets		<u>\$11,849,720</u>	<u>100</u>	<u>10,209,802</u>	<u>100</u>	Total Liabilities and Equity			<u>\$11,849,720</u>	<u>100</u>	<u>10,209,802</u>	<u>100</u>

The accompanying notes are an integral part of the individual financial statements.

IEI Integration Corp.
STATEMENT OF COMPREHENSIVE INCOME
January 1 to December 31, 2022 and 2021

In thousands of NTD

	Note	2022		2021	
		Amount	%	Amount	%
4110 Sales Revenue		\$ 5,266,950	101	3,476,460	101
4170 Sales returns and discounts		28,144	1	24,552	1
Net Sales Revenue	6(16)&7	5,238,806	100	3,451,908	100
5110 Cost of Sales	6(5)&7&12	3,680,695	70	2,597,366	75
Gross Profit		1,558,111	30	854,542	25
5910 Unrealized profit (loss) from sales		(49,791)	(1)	(12,913)	-
5920 Realized profit (loss) from sales		12,913	-	48,880	1
Gross Profit from operations		1,521,233	29	890,509	26
Operating Expenses	6(4)(18)&7&12				
6100 Selling expenses		298,911	6	263,332	8
6200 General and administrative expenses		118,399	2	103,759	3
6300 Research and development expenses		300,659	6	314,313	9
6450 Expected credit impairment loss (gain)		14,442	-	(574)	-
Total Operating Expenses		732,411	14	680,830	20
Net Operating Income		788,822	15	209,679	6
Non-operating Income and Expenses	6(7)(12)(19)&7				
7100 Interest income		11,027	-	282	-
7010 Other income		75,877	1	62,927	2
7020 Other gains and losses, net		68,741	1	(7,345)	-
7050 Finance costs		(218)	-	(126)	-
7060 Share of profits of associates and joint ventures accounted for using equity method, net		800,204	16	712,399	21
Total Non-operating Income and Expenses		955,631	18	768,137	23
Profit Before Income Tax		1,744,453	33	977,816	29
7950 Income tax expense	6(14)	252,264	4	111,871	3
Profit for the year		1,492,189	29	865,945	26
8300 Other Comprehensive Income :					
8310 Components that will not be reclassified to profit or loss	6(15)(20)				
8311 Gain/(loss) on re-measurements of defined benefit plans		(1,394)	-	15,999	-
8316 Unrealized gain/(loss) from investments in equity instruments measured at fair value through other comprehensive income		(10,114)	-	3,158	-
8330 Share of other comprehensive gain/(loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		140,853	2	(45,223)	(1)
8349 Income tax related to components that will not be reclassified to profit or loss		279	-	(3,200)	-
		129,624	2	(29,266)	(1)
8360 Components that will be reclassified to profit or loss	6(15)(20)				
8361 Exchange differences on translation		80,917	2	(33,028)	(1)
8380 Share of other comprehensive gain/(loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		22,657	-	(8,311)	-
8399 Income tax related to components that will be reclassified to profit or loss		-	-	-	-
Total components that will be reclassified to profit or loss		103,574	2	(41,339)	(1)
8300 Other Comprehensive Income (Loss), net		233,198	4	(70,605)	(2)
Total Comprehensive Income		\$ 1,725,387	33	795,340	24
Earnings per Share (NT\$)					
Basic Earnings per Share (NT\$)	6(16)	\$ 8.45		4.90	
Diluted Earnings per Share (NT\$)	6(16)	\$ 8.38		4.86	

The accompanying notes are an integral part of the individual financial statements.

IEI Integration Corp.
STATEMENT OF CHANGES IN EQUITY
January 1 to December 31, 2022 and 2021

In thousands of NTD

Item Code	Share Capital		Retained Earnings				Exchange differences on translation of foreign financial statements	Others		Total	Total Equity
	Common Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated retained earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total		
A1	Balance at January 1, 2021	\$ 1,765,978	819,341	1,566,050	635,680	3,410,688	5,612,418	(472,411)	(132,077)	(604,488)	7,593,249
D1	Profit for the year	-	-	-	-	865,945	865,945	-	-	-	865,945
D3	Other comprehensive income (loss)	-	-	-	-	12,799	12,799	(41,339)	(42,065)	(83,404)	(70,605)
D5	Total comprehensive income (loss)	-	-	-	-	878,744	878,744	(41,339)	(42,065)	(83,404)	795,340
	Earnings appropriation and distribution:										
B1	Legal reserve appropriated	-	-	99,338	-	(99,338)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(353,196)	(353,196)	-	-	-	(353,196)
B17	Reversal of special reserve	-	-	-	(31,192)	31,192	-	-	-	-	-
	Changes in other capital reserves:										
C7	Adjustments to share of changes in equities of associates	-	(1,872)	-	-	-	-	-	-	-	(1,872)
C17	Other changes in capital reserves	-	2,856	-	-	-	-	-	-	-	2,856
	Balance at December 31, 2021	1,765,978	820,325	1,665,388	604,488	3,868,090	6,137,966	(513,750)	(174,142)	(687,892)	8,036,377
D1	Profit for the year	-	-	-	-	1,492,189	1,492,189	-	-	-	1,492,189
D3	Other comprehensive income (loss)	-	-	-	-	(1,115)	(1,115)	103,574	130,739	234,313	233,198
D5	Total comprehensive income (loss)	-	-	-	-	1,491,074	1,491,074	103,574	130,739	234,313	1,725,387
	Earnings appropriation and distribution:										
B1	Legal reserve appropriated	-	-	87,874	-	(87,874)	-	-	-	-	-
B3	Special reserve	-	-	-	83,404	(83,404)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(529,793)	(529,793)	-	-	-	(529,793)
	Changes in other capital reserves:										
C7	Adjustments to share of changes in equities of associates	-	(134)	-	-	-	-	-	-	-	(134)
C17	Other changes in capital reserves	-	246	-	-	-	-	-	-	-	246
Z1	Balance at December 31, 2022	\$ 1,765,978	820,437	1,753,262	687,892	4,658,093	7,099,247	(410,176)	(43,403)	(453,579)	9,232,083

The accompanying notes are an integral part of the individual financial statements.

IEI Integration Corp.
STATEMENT OF CASH FLOWS
January 1 to December 31, 2021 and 2022

In thousands of NTD

	<u>2022</u>	<u>2021</u>
AAAA Cash Flows from Operating Activities:		
A10000 Profit before income tax	\$ 1,744,453	977,816
A20000 Adjustments items:		
A20100 Depreciation expense	51,989	51,857
A20200 Amortization expense	19,069	17,264
A20300 Expected credit impairment loss (reversal of impairment loss)	14,442	(574)
A20400 Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(1,335)	(216)
A20900 Interest expense	218	126
A21200 Interest income	(11,027)	(282)
A21300 Dividend income	(647)	(1,581)
A22400 Share of profits of associates and joint ventures accounted for using equity method	(800,204)	(712,399)
A22500 Impairment loss (gain) on property, plant and equipment	(1,384)	(386)
A23700 Allowance for inventory valuation and obsolescence loss	11,864	6,951
A24000 Unrealized (realized) profit from sales	36,878	(35,967)
A24100 Unrealized loss (gain) on foreign exchange	(1,239)	(3,782)
A20010 Total adjustments to reconcile profit (loss)	<u>(681,376)</u>	<u>(678,989)</u>
A30000 Changes in operating assets and liabilities:		
A31115 Decrease (increase) in financial assets measured at fair value through profit and loss	(379,665)	60,219
A31150 Decrease (increase) in Notes and accounts receivable	(53,543)	(13,708)
A31160 Decrease (increase) in accounts receivable from related parties	(99,139)	80,908
A31190 Decrease (increase) in other receivables from related parties	1,140	(10,172)
A31200 Decrease (increase) in Inventory	(286,282)	(42,328)
A31240 Decrease (increase) in Other current assets	(26,211)	(2,983)
A31990 Decrease (increase) in Net defined benefit assets	(676)	(847)
A32000 Changes in operating liabilities, net:		
A32125 Increase (decrease) in contract liabilities	(72,452)	93,730
A32150 Increase (decrease) in Notes and accounts payable	260,770	83,707
A32160 Increase (decrease) in accounts payable to related parties	(32,796)	79,653
A32180 Increase (decrease) in other payables	8,174	(23,955)
A32190 Increase (decrease) in Other payables to related parties	12,230	579
A32230 Increase (decrease) in other current liabilities	6,253	(1,150)
A30000 Total changes in operating assets and liabilities	<u>(662,197)</u>	<u>303,653</u>
A20000 Total adjustments	<u>(1,343,573)</u>	<u>(375,336)</u>
A33000 Cash inflow generated from operations	400,880	602,480
A33100 Interest received	9,656	270
A33200 Dividends received	607,899	169,825
A33300 Interest paid	(218)	(126)
A33500 Income tax paid	<u>(57,612)</u>	<u>(68,116)</u>
AAAA Net cash flows from (used in) operating activities	<u>960,605</u>	<u>704,333</u>
BBBB Cash Flows from Investing Activities:		
B00010 Acquisition of financial assets at fair value through other comprehensive income	(6,000)	-
B00030 Proceeds from capital reduction of financial assets at fair value through other comprehensive income	500	2,700
B02400 Pay-back from capital reduction of investees accounted for using equity method	177,900	-
B02700 Acquisition of property, plant and equipment	(16,052)	(45,681)
B02800 Disposal of property, plant and equipment	1,471	50
B04500 Acquisition of intangible assets	(22,544)	(21,855)
B06600 Decrease (increase) of other financial assets	(34)	3,992
B06800 Decrease (increase) of other non-current assets	(1,394)	255
BBBB Net cash flows from (used in) investing activities	<u>133,847</u>	<u>(60,539)</u>
CCCC Cash Flows from Financing Activities:		
C04020 Payment of lease liabilities	(6,165)	(6,871)
C04400 Decrease in other non-current liabilities	(70)	(434)
C04500 Cash dividends paid	(529,793)	(353,196)
C09900 Other financial activities	32	-
CCCC Net cash flows from (used in) financing activities	<u>(535,996)</u>	<u>(360,501)</u>
EEEE Net Increase in Cash and Cash Equivalents	558,456	283,293
E00100 Cash and Cash Equivalents at Beginning of Year	697,147	413,854
E00200 Cash and Cash Equivalents at End of Year	<u>\$ 1,255,603</u>	<u>697,147</u>

The accompanying notes are an integral part of the consolidated financial statements.

IEI Integration Corp.
Profit Distribution Table
Year 2022

(Unit: NTD \$)

Items	Total
Beginning unappropriated retained earnings	3,167,017,750
Add : Net profit after tax	1,492,188,864
Less : Actuarial gains and losses adjusted into retained earnings	(1,114,983)
Less : Legal reserve	(149,107,388)
Add : Reversal of special reserve	234,313,574
Adjusted distributable retained earnings	4,743,297,817
Distribution :	
Cash dividend of common stock (NT\$3.5 per share)	(618,092,265)
Ending unappropriated retained earnings	4,125,205,552

Chairman :
CHANG, MING-CHIH

Manager :
JIANG, JONQ-LIANG

Accounting Executive :
WEI, TI-SZU

Comparison of the provisions of the “Articles of Incorporation” before and after the amendments

Amended provisions	Existing provisions	Explanation
<p>Article 6 : <u>In accordance with the law, the ones that the Company transfers the acquired shares, issues employee stock option certificates, subscribes new shares, and issues restricted stocks to employees all meet the certain conditions or are employees of subsidiary companies. The certain conditions would be set by the Board of Directors.</u></p>	<p>Article 6 : (deleted)</p>	<p>Amendment in accordance with Company Act</p>
<p>Article 9 : Shareholders’ meeting of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. <u>When holding shareholders’ meeting, the Company shall use virtual meetings or other ways announced by the central executive authority.</u></p>	<p>Article 9 : Shareholders’ meeting of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.</p>	
<p>Article 22 : These Articles of Incorporation are established on April 14, 1997, and the first Amendment on May 8, 1997, the second Amendment on October 4, 1997, the third Amendment on May 26, 1998, and the fourth Amendment on June 28, 1998, and the fifth Amendment on October 29, 1998, and the sixth Amendment on June 30, 1999, and the seventh Amendment on October 18, 1999, and the eighth Amendment on April 15, 2000, and the ninth Amendment on June 21, 2001, and the tenth Amendment on April 22, 2002, and the eleventh Amendment on June 27, 2003, and the twelfth Amendment on June 15, 2004, and the thirteenth Amendment on June 14, 2005, and the fourteenth Amendment on June 14, 2006, and the fifteenth Amendment on June 15, 2007, but the Article 8-1 and Article 8-2 amendment took effect from the date of January 1st, 2008, and the sixteenth Amendment on June 13, 2008, and the seventeenth Amendment on June 10, 2009, and the eighteenth Amendment on June 14, 2010, and the nineteenth Amendment on June 10, 2011, and the twentieth Amendment on June 12, 2012, and the twenty-first Amendment on August 7, 2012, and the twenty-second Amendment on June 17, 2013, and the twenty-third Amendment on June 15, 2016, and the twenty-fourth Amendment on June 16, 2017, and the twenty-fifth Amendment on June 12, 2020, <u>and the twenty-sixth Amendment on June 16, 2023.</u></p>	<p>Article 22 : These Articles of Incorporation are established on April 14, 1997, and the first Amendment on May 8, 1997, the second Amendment on October 4, 1997, the third Amendment on May 26, 1998, and the fourth Amendment on June 28, 1998, and the fifth Amendment on October 29, 1998, and the sixth Amendment on June 30, 1999, and the seventh Amendment on October 18, 1999, and the eighth Amendment on April 15, 2000, and the ninth Amendment on June 21, 2001, and the tenth Amendment on April 22, 2002, and the eleventh Amendment on June 27, 2003, and the twelfth Amendment on June 15, 2004, and the thirteenth Amendment on June 14, 2005, and the fourteenth Amendment on June 14, 2006, and the fifteenth Amendment on June 15, 2007, but the Article 8-1 and Article 8-2 amendment took effect from the date of January 1st, 2008, and the sixteenth Amendment on June 13, 2008, and the seventeenth Amendment on June 10, 2009, and the eighteenth Amendment on June 14, 2010, and the nineteenth Amendment on June 10, 2011, and the twentieth Amendment on June 12, 2012, and the twenty-first Amendment on August 7, 2012, and the twenty-second Amendment on June 17, 2013, and the twenty-third Amendment on June 15, 2016, and the twenty-fourth Amendment on June 16, 2017, and the twenty-fifth Amendment on June 12, 2020.</p>	<p>Amendment date of addition</p>

Comparison of the provisions of the rules of procedure for shareholders' meetings before and after the amendments

Amended provisions	Existing provisions	Explanation
<p>Article 3 Convening shareholders' meetings and shareholders' meeting notices Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. <u>In the event of a shareholder meeting conducted a virtual conference, except otherwise stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall be included in the articles and decided by the board of directors that resolutions of the virtual shareholders meeting must be implemented with the attendance of at least two-thirds of the directors and the approval of the majority of the attending directors.</u> <u>Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.</u> The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. <u>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting.</u> In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. <u>The Company shall make the meeting handbook and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:</u> <u>1. For physical shareholders' meetings, to be distributed on-site at the meeting.</u> <u>2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u> <u>3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>The following is omitted</p>	<p>Article 3 Convening shareholders' meetings and shareholders' meeting notices Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby and <u>shall be distributed on-site at the meeting.</u></p> <p>The following is omitted</p>	<p>Amendment in accordance with laws</p>
<p>Article 4 Commission of attendance at shareholders' meeting and authorization</p> <p>First to third paragraph omitted</p> <p><u>If, after a proxy form is delivered to the Company, a</u></p>	<p>Article 4 Commission of attendance at shareholders' meeting and authorization</p> <p>First to third paragraph omitted</p> <p>Addition of fourth paragraph</p>	

《Attachment 6》

Amended provisions	Existing provisions	Explanation
<p><u>shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>		
<p>Article 5 Principles determining the time and place of a shareholders' meeting</p> <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.</u></p>	<p>Article 5 Principles determining the time and place of a shareholders' meeting</p> <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	
<p>Article 6 Preparation of documents such as the attendance book</p> <p>The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for <u>shareholders, solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</u></p> <p><u>Shareholders</u> shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Fourth to sixth paragraph omitted</p> <p><u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>Article 6 Preparation of documents such as the attendance book</p> <p>The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders themselves or proxies commissioned by shareholders (collectively "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Fourth to sixth paragraph omitted</p> <p>Addition of seventh and eighth paragraph</p>	

Amended provisions	Existing provisions	Explanation
<p><u>Article 6-1</u> <u>(Convening virtual shareholders’ meetings and particulars to be included in shareholders’ meeting notice)</u> <u>To convene a virtual shareholders’ meeting, the Company shall include the follow particulars in the shareholders’ meeting notice:</u> <u>1. How shareholders attend the virtual meeting and exercise their rights.</u> <u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <u>A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> <u>B. Shareholders not having registered to attend the affected virtual shareholders’ meeting shall not attend the postponed or resumed session.</u> <u>C. In case of a hybrid shareholders’ meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders’ meeting online, meets the minimum legal requirement for a shareholders’ meeting, then the shareholders’ meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders’ meeting.</u> <u>D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.</u> <u>3. To convene a virtual shareholders’ meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders’ meeting online shall be specified. Except for the provisions of Article 44-9, paragraph 6, of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided, and the period during which shareholders may apply to the company and other relevant matters to be noted by shareholders shall be specified.</u></p>	<p>Addition of provision</p>	
<p>Article 8 Documentation of a shareholders’ meeting by audio or video</p> <p>First to second paragraph omitted</p> <p><u>Where a shareholders’ meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u> <u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>	<p>Article 8 Documentation of a shareholders’ meeting by audio or video</p> <p>First to second paragraph omitted</p> <p>Addition of third to fifth paragraph</p>	

Amended provisions	Existing provisions	Explanation
<p><u>In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>		
<p>Article 9 Calculation of numbers of shares for shareholders' meeting attendance and meetings</p> <p>Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. <u>In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	<p>Article 9 Calculation of numbers of shares for shareholders' meeting attendance and meetings</p> <p>Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	
<p>Article 11 Shareholder speech</p> <p>First to sixth paragraph omitted</p> <p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting</u></p>	<p>Article 11 Shareholder speech</p> <p>First to sixth paragraph omitted</p> <p>Addition of seventh and eighth paragraph</p>	

Amended provisions	Existing provisions	Explanation
<p><u>platform.</u></p> <p>Article 13 Way of voting on a proposal, vote monitoring and counting</p> <p>First to third paragraph omitted</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or <u>online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Fifth to eighth paragraph omitted</p> <p><u>When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>	<p>Article 13 Way of voting on a proposal, vote monitoring and counting</p> <p>First to third paragraph omitted</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Fifth to eighth paragraph omitted</p> <p>Addition of ninth to twelfth paragraph</p>	
<p>Article 15 Meeting Minutes and Signing Matters</p> <p>First to third paragraph omitted</p> <p><u>Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.</u></p>	<p>Article 15 Meeting Minutes and Signing Matters</p> <p>First to third paragraph omitted</p> <p>Addition of fourth and fifth paragraph</p>	
<p>Article 16 Public disclosure</p>	<p>Article 16 Public disclosure</p>	

Amended provisions	Existing provisions	Explanation
<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. <u>In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	
<p><u>Article 19 Disclosure of information at virtual meetings</u> <u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>	<p>Addition of provision</p>	
<p><u>Article 20 Location of the chair and secretary of virtual-only shareholders' meeting</u> <u>When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	<p>Addition of provision</p>	
<p><u>Article 21 Handling of disconnection</u> <u>In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u> <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.</u> For a meeting to be postponed or resumed under the</p>	<p>Addition of provision</p>	

Amended provisions	Existing provisions	Explanation
<p><u>second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors. When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.</u></p>		
<p><u>Article 22 Handling of digital divide</u> <u>When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Except for the provisions of Article 44-9, paragraph 6, of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided, and the period during which shareholders may apply to the company and other relevant matters to be noted by shareholders shall be specified.</u></p>	<p>Addition of provision</p>	
<p><u>Article 23</u> These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.</p>	<p><u>Article 19</u> These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.</p>	<p>Article of adjustment</p>

Articles of Incorporation

Chapter 1 General Provisions

Article 1 : The Company shall be incorporated under the Company Act of the Republic of China, and its name is IEI Integration Corp.

Article 2 : The scope of business of the Company shall be as follows:

1. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
2. CC01080 Electronic Parts and Components Manufacturing
3. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
4. CC01110 Computers and Computing Peripheral Equipment Manufacturing
5. CC01120 Data Storage Media Manufacturing and Duplicating
6. I301010 Software Design Services
7. F401010 International Trade
8. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
9. CF01011 Medical Devices Manufacturing
10. F108031 Wholesale of Drugs, Medical Goods
11. F208031 Retail sale of Medical Equipment
12. F118010 Wholesale of Computer Software
13. F218010 Retail Sale of Computer Software
14. I301020 Data Processing Services
15. I301030 Digital Information Supply Services
16. F601010 Intellectual Property

ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 : The Company may provide endorsement and guarantee to public for the businesses and investment.

Article 2-2 : The Company's total investment amount is unrestricted from Company Act, Article 13, and may exceed forty percent of the paid-in capital.

Article 3 : The Company shall have its head office in New Taipei City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 4 : (deleted)

Chapter 2 Capital Stock

Article 5 : The Company has a total capital of NTD\$3.5 billion, divided into 350 million shares with a par value of NTD\$10 per share, issued in stages by the Board of Directors. Out of which, NTD\$100 million is divided into 10 million shares with a par value of NTD\$10 per share, reserved for use when the stock option certificates are exercised.

Article 6 : (deleted)

Article 7 : The Company may issue shares without printing share certificate(s). However, the registration shall be made to centralized securities depository institution.

Article 8 : Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 8-1 : If the Company intends to issue employee stock option certificates at a price lower than the market price, such issuance shall comply with Article 56-1 and Article 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and shall be approved by the shareholders' meeting before issuance.

Article 8-2 : If the Company intends to transfer the repurchased shares to employees at a price lower than the average repurchase price, such transfer shall comply with Article 10-1 and Article 13 of the Regulations Governing the Repurchase of Shares of Listed and OTC Companies. The transfer shall be carried out after a latest resolution by the shareholders' meeting (attended by shareholders holding more than half of the issued shares and approved by more than two-thirds of the attended shareholders' voting rights).

Chapter 3 Shareholders' Meeting

Article 9 : Shareholders' meeting of the Company are of two kinds: (1) regular meeting and (2) special meeting.

Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.

Article 10 : When a shareholder is unable to attend a shareholders' meeting due to certain circumstances, they may appoint a proxy to attend the meeting on their behalf in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies.

Article 11 : Except for the regulations in the laws, our shareholders are entitled to one vote for each share held.

Article 12 : Except otherwise provided by the Company Act, the resolutions of shareholders shall be adopted by the concurrence of a majority of the votes held by shareholders present in the meeting representing over one half of the total issued stock of the Company. According to the authority, the Company's shareholders may exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and all related matters will be handled in accordance with legal regulations.

Chapter 4 Directors and Audit Committee

Article 13 : The Company shall have five to seven Directors. The tenure of office of Directors shall be three years. Directors shall be elected by adopting candidates' nomination system and the shareholders' meeting shall elect them from the candidate list, and they shall be eligible for successive assignment.

Among the directors specified in the preceding paragraph, there must be at least three independent directors, and their number may not be less than one-fifth of the total number of directors. Matters related to the professional qualifications, shareholdings, limitations on concurrent positions, nomination and election methods, and other applicable requirements for independent directors shall be governed by relevant regulations of the authority.

Article 13-1 : The Company may establish an Audit Committee in accordance with the Securities and Exchange Act, composed of all independent directors.

The Audit Committee is responsible for performing the duties of a supervisor stipulated in Company Act, Securities and Exchange Act, and other legal regulations, and shall comply with relevant laws and company regulations.

Article 13-2 : When convening a Board of Directors meeting, the agenda shall be stated and notice shall be given to each director at least seven days in advance. In case of an emergency, the meeting may be convened at any time without prior written notice.

The notice mentioned in the preceding paragraph may be given by means of written document, fax or emails.

Article 14 : The Directors shall constitute the Board of Directors and shall elect one chairman of the Board from among themselves by a majority at a meeting attended by at least two-thirds of the Directors. The Chairman shall externally represent the Company.

Article 15 : In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act. In case that the director is unable to attend, they shall issue a letter of attorney and specify the scope of authority of reasons for convening the meeting, authorizing other directors to attend the Board of Directors on their behalf. However, the authorization is limited to one person only. The delegate of directors shall be appointed in compliance with Article 205 of the Company Act.

Article 16 : The resolution of the Board of Directors shall require over a half of the attendance of directors, and over a half of the agreement of attended directors, except as other regulations provided by the Company Act.

Article 16-1 : The Company shall purchase liability insurance for directors to mitigate the risk of directors being sued by shareholders or other stakeholders for carrying out their duties in accordance with the law.

Article 16-2 : The remuneration of the Chairman and directors of the Company shall be authorized by the Board of Directors based on their level of involvement and value contributed to the Company's operations, taking into account the usual industry standards.

Chapter 5 Managerial Officials

Article 17 : In accordance with the Board of Directors' resolution, the Company has established the position oied out in accordance with the regulations of Company Act. The appointment and dismissal of the General Manager are nominated by the Chairman of the Board, while the appointment and remuneration of managers other than the General Manager are proposed by the General Manager.

Chapter 6 Accounting

Article 18 : After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and in accordance with the law, shall be submitted to the regular meeting of shareholders for acceptance.

1. Business Report
2. Financial Statements
3. The surplus earning distribution or loss off-setting proposals

Article 19 : If the Company earns profits in the fiscal year, we shall allocate 5% to 20% as employee remuneration, which will be distributed by the Board of Directors in the form of stocks or cash. The recipients of the distribution include employees of subsidiary companies who meet certain conditions, which will be determined by the Board of Directors; the Board of Directors may allocate an amount not exceeding 3% of the mentioned profit as director remuneration. The remuneration distribution plan for employees and directors shall be reported to the shareholders' meeting.

However, if the Company has accumulated losses, it should reserve the amount necessary for offsetting the losses before allocating remuneration to employees and directors according to the preceding percentage.

Article 20 : If there is any surplus in the Company's annual final accounts, the tax shall be paid first, followed by the offset of previous losses. Then, 10% shall be allocated as the legal surplus reserve. After making provisions or reversing the special surplus reserve in accordance with the law, if there is still a balance, the remaining balance shall be combined with the accumulated undistributed earnings, and the Board of Directors shall propose a profit distribution plan and submit it to the shareholders' meeting for resolution.

Article 20-1 : The Company is currently in a period of business growth. In order to respond to the overall industry environment and the need for business expansion, future dividend payments will consider the Company's medium and long-term financial capital budget planning to balance the dividend policy. The goal is to pursue a stable and sustainable development. After accounting the annual after-tax profits, the Company shall allocate the legal surplus reserves in accordance with the provisions of the Articles of Incorporation. As for shareholder dividends, the Board of Directors shall consider factors such as past payment status, industry standards, and future operating capabilities to develop a plan. Shareholder dividends shall not exceed 90% of the accumulated distributable profits, and the cash dividend portion shall not be less than 5% of the shareholder dividend.

Article 20-2 : (deleted)

Chapter 7 Supplementary Provisions

Article 21 : In regard to all matters not provided for in these articles, the Company Act shall govern.

Article 21-1 : (deleted)

Article 22 : These Articles of Incorporation are established on April 14, 1997, and the first Amendment on May 8, 1997, the second Amendment on October 4, 1997, the third Amendment on May 26, 1998, and the fourth Amendment on June 28, 1998, and the fifth Amendment on October 29, 1998, and the sixth Amendment on June 30, 1999, and the seventh Amendment on October 18, 1999, and the eighth Amendment on April 15, 2000, and the ninth Amendment on June 21, 2001, and the tenth Amendment on April 22, 2002, and the eleventh Amendment on June 27, 2003, and the twelfth Amendment on June 15, 2004, and the thirteenth Amendment on June 14, 2005, and the fourteenth Amendment on June 14, 2006, and the fifteenth Amendment on June 15, 2007, but the Article 8-1 and Article 8-2 amendment took effect from the date of January 1st, 2008, and the sixteenth Amendment on June 13, 2008, and the seventeenth Amendment on June 10, 2009, and the eighteenth Amendment on June 14, 2010, and the nineteenth Amendment on June 10, 2011, and the twentieth Amendment on June 12, 2012, and the twenty-first Amendment on August 7, 2012, and the twenty-second Amendment on June 17, 2013, and the twenty-third Amendment on June 15, 2016, and the twenty-fourth Amendment on June 16, 2017, and the twenty-fifth Amendment on June 12, 2020.

Rules of Procedure for Shareholders' meetings

- Article 1 Purpose
To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Procedures includes the following:
The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Convening shareholders' meetings and shareholders' meeting notices
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby and shall be distributed on-site at the meeting.
The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.
Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.
Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.
Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting

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notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 Commission of attendance at shareholders' meeting and authorization

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 Principles determining the time and place of a shareholders' meeting

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

Article 6 Preparation of documents such as the attendance book

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders themselves or proxies commissioned by shareholders (collectively "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

Article 7 The chair and non-voting participants of a shareholders' meeting

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

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

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

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 Documentation of a shareholders' meeting by audio or video

The Company, beginning from the time it accepts shareholder attendance registrations, shall make

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an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

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

Article 9

Calculation of numbers of shares for shareholders' meeting attendance and meetings

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

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

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

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

Article 10

Discussion of Proposals

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11

Shareholder speech

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12

Calculation of voting shares and recusal system

Voting at a shareholders' meeting shall be calculated based the number of shares.

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood

that such a relationship would 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.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

Way of voting on a proposal, vote monitoring and counting

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

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

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

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

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

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

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

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

Article 14

Election Matters

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

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

Article 15

Meeting Minutes and Signing Matters

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

《Appendix 2》

- The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.
- Article 16 Public disclosure
- On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.
- If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, 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 chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
- When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- Article 18 Recess and resumption of a shareholders' meeting
- When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair 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 of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
- A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

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 and supervisors 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:
1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- 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:
1. The ability to make judgments about operations.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management ability.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership ability.
 8. 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.
- Article 4 : The qualifications and election of the independent directors of the Company shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
- Article 5 : Elections of directors at the Company 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 proviso 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 all dismissed, 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 unit-nominal cumulative election law shall be used for election of the directors at the Company. Attendance card numbers printed on the ballots may be used instead of recording the names of electors. In the election of company’s directors, in addition to the laws, each share will have the same voting rights in number equal to the persons to be elected, and may be cast for a single candidate or split among multiple candidates.
- In the election of company’s directors, shareholders shall choose either electronic way or in person to exercise their voting rights.
- From the preceding paragraph, if shareholders exercise the voting rights in electronic voting way, they shall use the electronic voting platform assigned by the Company.
- Article 7 : The Company’s directors and independent directors shall follow the number specified in the Company's Articles of Incorporation also approved by the Board of Directors to conduct election together and calculate voting rights separately. 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.

《Appendix 3》

- Article 8 : Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and appoint other persons for 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 9 : The ballots shall be prepared by the Board of Directors. The numbers shall be arranged according to attendance card numbers, and 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.
- Article 10 : A voter must enter the candidate's account or name in the "candidate" column of the ballot. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 11 : A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by members who have the power to call meetings.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The cross-check that shows the candidate whose name is entered in the ballot does not match with the candidate list of directors.
 5. Other words or marks are entered in addition to the candidate's account or name.
 6. Two or more elected persons are entered in the same ballot.
- Article 12 : 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, shall be announced by the chairman 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, the ballots shall be retained until the conclusion of the litigation.
- Article 13 : The Board of Directors of the Company shall issue notifications to the persons elected as directors.
- Article 14 : These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

Current Shareholding of Directors

As of date : 18 Apr, 2023

Position	Name	Current shareholding	Shareholding ratio
Chairman	QNAP Systems Inc. Representative: CHANG, MING-CHIH	23,963,007	13.57%
Director	JIANG, JONQ-LIANG	205,374	0.12%
Director	LI, YING-YIN	2,148,759	1.21%
Independent director	HO, IN-CHYUAN	-	-
Independent director	HSU, JIA-LIEN	-	-
Independent director	LO, WEN-PAO	-	-
The combined shareholding of all supervisors		26,317,140	14.90%
The minimum required combined shareholding of all supervisors		10,595,867	-

Note 1 : Book closure date : 18 Apr, 2023 ~ 16 Jun, 2023

Note 2 : Paid-in capital: NT\$1,765,977,900 ; Total number of outstanding shares:
176,597,790 shares