

Stock Code:6485



點序科技股份有限公司  
ASolid Technology Co., Ltd.

2022 Annual Shareholders' Meeting  
Meeting Agenda  
(Translation)

Date : 9:00 a.m., June 22,2022

Venue: No. 2, Zhanye 1st Rd., East Dist., Hsinchu City (Room 202)

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ASolid Technology Co., Ltd.

2022 Annual Shareholders' Meeting Agenda

I、Meeting Agenda

1.Date : 9:00 a.m., June 22,2022

2.Venue: No. 2, Zhanye 1st Rd., East Dist., Hsinchu City (Room 202)

3.Means of Meeting Convention: Physical shareholders meeting

4.Call Meeting to Order

5.Chairman's report

6.Report Items

(1) 2021 Business report

(2) Audit Committee's review of the 2021 annual final accounting books and statements

(3) Report on 2021 employees' and directors' remuneration

(4) 2021 Private Equity Applicants and Progress Reports

7.Acknowledged matters

(1) Acknowledgment of the 2021 Business Report and Financial Statements

(2) Acknowledgment of the 2021 Earnings Distribution

8.Matters for Discussion and Elections

(1) By-election a director

(2) Removal of non-compete restrictions on new directors and their representatives

(3) Revised "Regulations Governing the Acquisition and Disposal of Assets"

9.Extemporary Motions

10.Adjournment

## II、Report Items

### 1.2021 Business Report.

Explanatory Notes : Please refer Attachment 1 of this handbook.

### 2.Audit Committee's review of the 2021 annual final accounting books and statements.

Explanatory Notes : Please refer Attachment 2 of this handbook.

### 3.Report on 2021 employees' and directors' remuneration.

Explanatory Notes : Please refer Attachment 3 of this handbook.

### 4.2021 Private Equity Applicants and Progress Reports.

Explanatory Notes :

- (1)On August 26, 2021, the shareholders' meeting will approve the private placement of common shares, and the number of shares shall not exceed 3,900,000 shares. According to the provisions of Article 43-6 of the Securities and Exchange Law, the shareholders' meeting approve the private placement in one or two times within one year.
- (2)The company has passed the resolution of the board of directors on November 5, 2021 and has issued the first private placement of 2,175,000 common shares on December 28, 2021. The private placement price is NT\$102.4, and the total amount is NT\$222,720,000.
- (3)Pricing Basis : November 5, 2021 is the pricing date. The private placement price is determined by calculating the simple arithmetic average of the closing price of the common stock on the 1st, 3rd, and 5th business days before the pricing date or the simple arithmetic average of the closing price of ordinary shares for the 30 business days before the pricing date, deducting the ex-rights and dividends of the free allotment, and adding back the share price after capital reduction and anti-ex-rights. The higher of the above-mentioned two benchmark prices is the reference price for this private placement. The actual private placement price shall not be lower than 80% of the reference price.
- (4)After the capital increase, the total capital is \$430,365,080 , the face value of each share is \$10 , and the total number of issued shares is 43,036,508 shares. °
- (5) Private Equity Applicants : The applicant for this private common stock negotiation is KINGSTON TECHNOLOGY CORPORATION, With the advantages of the company's experience, product technology, knowledge, brand reputation and market access, through strategic cooperation, joint product development, market integration or business development cooperation, it is expected to help improve product technology and expand sales market, to

improve future operational performance. The follow-up will be handled in accordance with the relevant regulations of the "Administrative Measures for Overseas Chinese and Foreigners' Investment in Securities".

(6) The Necessity and Expected Benefit of the Applicant as a Strategic Investor

A. Necessity : Through strategic investors, the company's long-term competitiveness and operational efficiency can be enhanced, so it is necessary.

B. Expected Benefit : With the advantages of the company's experience, product technology, knowledge, brand reputation and market access, through strategic cooperation, joint product development, market integration or business development cooperation, it is expected to help improve product technology and expand sales market, to improve future operational performance.

(7) There are 1,725,000 shares that have not yet been raised. Considering the market conditions and timeliness, the board of directors has approved the termination of private placement during the remaining period of the deadline on May 3, 2022.

### III 、 Acknowledged matters

#### 1.Acknowledgment of the 2021 Business Report and Financial Statements.

(Proposed by the Board of Directors)

##### Explanatory Notes :

- (1)The 2021 financial statements include balance sheet, consolidated income statement, statement of changes in equity, and cash flow statement, which will be verified and certified by accountants Su-Li Fang and accountants Tung-Hui Yeh of Deloitte & Touche Joint Accounting Firm, and an audit report sufficient for fair expression will be issued.
- (2)The above-mentioned form and business report have been approved by the board of directors of the company. It has been sent to the audit committee members for verification and completed, and an audit report has been issued.
- (3) Please refer to the 2021Business Report and the Financial Statements on Attachments 1 , 4 and 5 of this handbook (Attachments 1 , 4 and 5).
- (4)Ask for acknowledgment.

Resolution: :

#### 2.Acknowledgment of the 2021 Earnings Distribution.

(Proposed by the Board of Directors)

##### Explanatory Notes :

- (1)The company's net profit after tax in 2021 was NT\$496,659,419, and 10% of the statutory surplus reserve was allocated according to law, totaling NT\$49,665,942. After adding the undistributed surplus at the beginning of the period of NT\$95,301,150, the distributable surplus for the year was NT\$542,294,627, the undistributed surplus at the end of the period is NT\$322,322,087 after the proposed distribution of cash dividends to shareholders of NT\$219,972,540 (\$5 per share) from the distributable earnings.
- (2)The 2021 cash dividend will be allocated NT\$5 per share. After the resolution of the shareholders' meeting is passed, the board of directors will be authorized to set the ex-dividend base date and related distribution matters. If the number of outstanding shares is affected due to the repurchase of the company's shares, the transfer or cancellation of treasury shares, or the implementation of employee stock option certificates to convert new shares, the shareholders' dividend rate will change accordingly, and the chairman is authorized to adjust the dividend rate and related matters.
- (3) The cash dividends will be calculated to the nearest NT dollar. The remainder will be transferred into the account of the company's other income.


(4) 2021 Earning Distribution Statement :

ASolid Technology Co., Ltd.  
2021 Earnings Allocation Table

Unit: NT\$

Beginning of the period	95,301,150
Add : 2021 Net Profit	496,659,419
Minus : Appropriated as legal reserve 10%	49,665,942
Earnings available for appropriation	542,294,627
Assign items :	
Cash dividends(Per share cash dividend distribution NT\$5)	219,972,540
Unappropriated retained earnings	322,322,087

Chairman : 

President : 

Accounting Director : 

(5) Ask for acknowledgment.

Resolution: :

#### IV 、Matters for Discussion and Elections

##### 1. By-election a director.

(Proposed by the Board of Directors)

Explanatory Notes :

- (1) There are seven directors of the company this year, of which director Walker Chen has resigned on February 1, 2022, and there is still a vacancy for one director, which will be by-election at this shareholders' meeting.
- (2) The Company adopts the candidate nomination system for directors, and shareholders shall appoint directors from the list of candidates for directors. The term of the by-election directors will start from June 22, 2022 and end on June 18, 2023
- (3) The director candidates have been reviewed and approved by the board of directors on March 18, 2022. The list of director candidates is as follows :

No.	Candidate name	number of shares	study (experience)
1	KINGSTON TECHNOLOGY CORPORATION	2,175,000	not applicable

(4) Election.

Voting Results :

##### 2. Removal of non-compete restrictions on new directors and their representatives.

(Proposed by the Board of Directors)

Explanatory Notes :

- (1) According to Article 209 of the Company Law, A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) In order to draw on the expertise and relevant experience of the directors, it is proposed to apply for consent to lift the non-compete restriction on newly elected directors and their representatives.
- (3) Ask for acknowledgment.

Resolution: :



3.Revised "Regulations Governing the Acquisition and Disposal of Assets".

(Proposed by the Board of Directors)

Explanatory Notes :

(1)According to order No. Financial-Supervisory-Securities-Corporate-1110380465, some provisions of "Regulations Governing the Acquisition and Disposal of Assets" of the company are revised, and the comparison table of the revised provisions is revised. Please refer to this Procedural Manual (Appendix 6)

(2)Ask for acknowledgment.

Resolution: :

V 、 Extemporary Motions.

VI 、 Adjournment.

## Attachment 1 : Business Report

### 2021 Business Report

#### 1.2021 Business Results

The company's operating income in 2021 was NTD 1.93 billion yuan, mainly due to the shortage of goods in the market. The overall revenue increased by NTD 1 billion compared with 2020, the gross profit margin was 61%, and the net profit after tax was NTD 496 million. EPS was NTD 12.2.

#### 2. Management policy and implementation overview

The company focuses on the research and development of high-quality, high-performance "flash memory control chips" to respond to the growing global demand for flash memory products. The company's products include "SD memory card controller chip", "USB flash drive controller chip", "embedded eMMC controller chip" and "SSD controller chip". In terms of memory card control chips, the company's products have won the trust and adoption of many customers with their superior performance and high-quality reputation, and are sold by customers all over the world, whether in Taiwan, mainland China, Asia, America, Europe, and Africa.

The company's SD memory card controller chip, in addition to supporting C10/U1/U3 and other speeds for general consumer products, V30 level for high-definition audio and video, and A1 standard that supports mobile application implementation, also provides A2 standard high random storage. The high-speed transmission mode of high performance and DDR200 provides the best control chip solution for today's high-capacity and high-performance memory card market. In addition to the existing consumer customer base for SD products, the company is also actively expanding new industrial control applications. In the market, it is expected that the company's market share in SD memory card control chips will continue to grow in the future.

In terms of UFD flash drive controller chip, the USB 3.2 Gen1 controller chip developed by our company has supported the latest 3D process flash memory of major flash memory manufacturers, and is excellent in both yield and performance. With the increasing capacity of 3D flash memory, the high-speed USB3.2 Gen1 interface can improve the data transmission efficiency and greatly shorten the data copy time, so the USB3.2 Gen1 controller chip will gradually become the mainstream. The company's USB3.2 Gen1 controller chip has been certified and adopted by major international manufacturers, and has been introduced into mass production. With the gradual increase in the market penetration of USB3.2 Gen1 flash drives, the company's USB3.2 Gen1 controller chip will be able to improve company revenue.

The company's embedded eMMC5.1 control chip can support the latest generation of 3D process TLC NAND Flash with flash memory, and is equipped with enhanced error correction codes, which can increase the stability of eMMC products and prolong the service life of products. , At present, various consumer products such as TV boxes, tablet computers, game consoles, learning laptops, smart TVs and mobile phones have been introduced into mass production. The company's SATA SSD master controller has built-in SDRAM and adopts dual-channel design, so that SSD has a read and write speed close to the critical value of SATA 6Gbps, creating high-speed performance of sequential and random read and write. The R&D team continues to focus on the development of new process NAND Flash firmware, providing customers with the best solutions in real time and creating maximum profits for customers.

In response to mainstream market demand, the PCIe Gen3x4 SSD master chip was launched, which adopts a four-channel design to achieve ultra-high sequential read and write speed. In 2021, it will pass the brand customer cross-examination and also complete the trial production on the client side. The company provides instant services, allowing us to better meet the needs of each customer, and provide customers with customized solutions, pay attention to the market supply and demand status, and formulate SSD strategies in advance to prepare for the market in all aspects.

In response to the rapid changes in the technology industry and the application trend of Flash products, we will continue to invest in the research and development of innovative, highly integrated and cost-effective products in order to expand the company's product line and strengthen the company's product competitiveness. Actively develop new customers and new markets to expand the sales territory, and at the same time continue to strengthen the implementation of corporate governance and internal control, provide customers with more complete products and services, expand to a diversified territory, improve growth momentum, and allow shareholders and employees to share business results.

Thanks to all shareholders for their support.

Best wishes to you all,

Chairman and President Kevin Liu



## Attachment 2 : Audit Committee's Review Report

### Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements(Contains consolidated and individual financial statements) and proposal for distribution earnings. Of which, the Financial Statements have been audited by accountants Su-Li Fang and accountants Tung-Hui Yeh of Deloitte & Touche Taiwan. The Financial Statements, Business Report and proposal for distribution of earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

ASolid Technology Co., Ltd.

Chairman of the Audit Committee : Victor Tsan

2022/03/18

### Attachment 3 : Report on 2021 employees' and directors' remuneration

1. The company has passed the resolution of the board of directors on March 18, 2022, and plans to distribute the remuneration of directors and employees in 2021 as follows

(1) Remuneration of directors NTD6,500,000.

(2) Remuneration of employees NTD72,000,000.( Disbursement in cash, the recipients are limited to the full-time employees of the company)

2. Explanation of the above amount and annual estimated amount of recognition expense:

(1) Number of differences: none.

(2) Reason: Not applicable.

(3) Handling: Not applicable.

## Attachment 4 : 2021 Audit Report and Individual Financial Statements

### INDEPENDENT AUDITORS' REPORT

ASolid Technology Co., Ltd.

#### **Opinion**

We have audited the financial statements of ASolid Technology Co., Ltd. (the “Corporation”) which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's financial statements for the year ended December 31, 2021 is stated as follows:

##### Key Audit Matters – The authenticity of sales revenue

The sales amount of integrated circuits is significant, the relevant revenue recognition policies and information please refer Note 4, Note 20. Sales revenue in 2021 will increase significantly compared with the previous year. For specific customers with significant sales growth and significant transaction amount in this year, the risk of authenticity of sales revenue is relatively high. Thus, the authenticity of sales revenue has been identified as a key audit matter.

Our audit procedure for this includes checking above customers' orders, sales invoices and account receipts and other relevant documents for the sale transactions of the aforementioned customers and sending correspondence to confirm the authenticity of the occurrence of income.

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

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

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Corporation's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Su-Li Fang and Tung-Hui Yeh

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 18, 2022

Notice to Readers

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

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



## ASOLID TECHNOLOGY CO., LTD.

### BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020		LIABILITIES AND EQUITY	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents (Note 4、6 and 29)	\$ 1,399,919	64	\$ 510,699	41	Short-term borrowings (Note 4、15 and 29)	\$ -	-	\$ 126,450	10
Financial assets at amortized cost-current (Note 4、7、29 and 31)	25,066	1	25,049	2	Contract liability-current (Note 20)	4,806	-	7,077	1
Accounts Receivable Non-related parties (Note 4、8、20 and 29)	339,586	15	215,776	17	Notes payable- Non-related parties (Note 16 and 29)	-	-	1,181	-
Accounts Receivable Related parties (Note 4、8、20、29 and 30)	-	-	52,411	4	Accounts payable- Non related parties (Note 16 and 29)	144,797	7	68,579	6
Inventories (Note 4、5 and 9)	283,220	13	306,360	24	Other payables (Note 17 and 29)	195,234	9	61,008	5
Prepayments (Note 30)	10,787	1	4,699	1	Tax payable (Note 4 and 22)	118,320	5	4,786	-
Other current assets (Note 14)	423	-	332	-	Other current liabilities (Note 17)	949	-	1,782	-
Total current assets	<u>2,059,001</u>	<u>94</u>	<u>1,115,326</u>	<u>89</u>	Total current liabilities	<u>464,106</u>	<u>21</u>	<u>270,863</u>	<u>22</u>
<b>NON-CURRENT ASSETS</b>					<b>NON-CURRENT LIABILITIES</b>				
Investments accounted for using the equity method (Note 4 and 10)	215	-	378	-	Deferred tax liabilities (Note 4 and 22)	2,928	-	3,115	-
Property, plant and equipment (Note 4、11 and 31)	85,821	4	88,565	7	Guarantee deposits received (Note 29)	114	-	114	-
Intangible assets (Note 4 and 13)	36,947	1	36,729	3	Investment loan balance using the equity method (Note 4 and 10)	11	-	-	-
Deferred tax assets (Note 4 and 22)	16,392	1	16,435	1	Total non-current liabilities	<u>3,053</u>	<u>-</u>	<u>3,229</u>	<u>-</u>
Guarantee deposits paid (Note 29)	1,591	-	1,846	-	Total liabilities	<u>467,159</u>	<u>21</u>	<u>274,092</u>	<u>22</u>
Total non-current assets	<u>140,966</u>	<u>6</u>	<u>143,953</u>	<u>11</u>	<b>EQUITY (Note 4 and 19)</b>				
<b>TOTAL ASSETS</b>	<u>\$ 2,199,967</u>	<u>100</u>	<u>\$ 1,259,279</u>	<u>100</u>	Common shares	<u>430,365</u>	<u>20</u>	<u>393,835</u>	<u>31</u>
					Capital surplus				
					Additional paid-in capital	634,690	29	390,344	31
					Employee share options	17,713	1	27,549	2
					Total capital surplus	<u>652,403</u>	<u>30</u>	<u>417,893</u>	<u>33</u>
					Retained earnings				
					Legal reserve	58,456	2	55,219	4
					Unappropriated earnings	591,569	27	118,230	10
					Total retained earnings	<u>650,025</u>	<u>29</u>	<u>173,449</u>	<u>14</u>
					Other equity	15	-	10	-
					Total equity	<u>1,732,808</u>	<u>79</u>	<u>985,187</u>	<u>78</u>
					<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 2,199,967</u>	<u>100</u>	<u>\$ 1,259,279</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statement

# ASOLID TECHNOLOGY CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4,20 and 30)	\$ 1,935,320	100	\$ 921,051	100
OPERATING COSTS(Note 9,21and30)	( 762,583 )	( 39 )	( 464,386 )	( 50 )
GROSS PROFIT	<u>1,172,737</u>	<u>61</u>	<u>456,665</u>	<u>50</u>
OPERATING EXPENSES (Note 21 and 30)				
Selling and marketing	( 90,584 )	( 5 )	( 65,822 )	( 7 )
General and administrative	( 83,897 )	( 4 )	( 66,483 )	( 7 )
Research and development	( 371,121 )	( 19 )	( 287,385 )	( 31 )
Expected credit loss (Note 8)	( 10,000 )	( 1 )	( 8,000 )	( 1 )
Total operating expenses	( 555,602 )	( 29 )	( 427,690 )	( 46 )
OPERATING INCOME	<u>617,135</u>	<u>32</u>	<u>28,975</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 21 and 30)				
Interest income	474	-	165	-
Other income	2,980	-	16,285	2
Other gains and losses	( 811 )	-	4,104	-
Financial costs	( 1,151 )	-	( 3,290 )	-
Share of losses of subsidiaries and associates	<u>3,600</u>	<u>-</u>	<u>( 6,750 )</u>	<u>( 1 )</u>
Total non-operating income and expenses	<u>5,092</u>	<u>-</u>	<u>10,514</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	622,227	32	39,489	5
INCOME TAX (EXPENSE) (Note 4 and 22)				
BENEFIT	( 125,567 )	( 6 )	( 7,120 )	( 1 )
NET INCOME FOR THE YEAR	<u>496,660</u>	<u>26</u>	<u>32,369</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF INCOME TAX				
Items that may be reclassified subsequently to profit or loss:				
Exchange Differences on Translation of Foreign Financial Statements	\$ -	-	( \$ 1 )	-
Other comprehensive income (loss) for the year, net of income tax s	-	-	( 1 )	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 496,660</u>	<u>26</u>	<u>\$ 32,368</u>	<u>4</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 12.20</u>		<u>\$ 0.82</u>	
Diluted	<u>\$ 11.55</u>		<u>\$ 0.82</u>	

The accompanying notes are an integral part of the parent company only financial statements.

**ASOLID TECHNOLOGY CO., LTD.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
	Share Capital		Capital surplus		Retained Earnings			
	Shares (In thousands)	Amount	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Foreign Operations		
BALANCE, JANUARY 1, 2020	39,384	\$ 393,835	\$ 390,344	\$ 17,609	\$ 49,104	\$ 111,668	\$ 11	\$ 962,571
Appropriations of 2019 earnings								
Legal capital reserve	-	-	-	-	6,115	( 6,115 )	-	-
Cash dividends to shareholders	-	-	-	-	-	( 19,692 )	-	( 19,692 )
Net profit for the year ended December 31, 2020	-	-	-	-	-	32,369	-	32,369
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	( 1 )	( 1 )
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	32,369	( 1 )	32,368
Other changes in capital surplus :								
Recognition of employee share options by the Company	-	-	-	9,940	-	-	-	9,940
BALANCE, DECEMBER 31, 2020	39,384	393,835	390,344	27,549	55,219	118,230	10	985,187
Appropriations of 2020 earnings								
Legal capital reserve	-	-	-	-	3,237	( 3,237 )	-	-
Cash dividends to shareholders	-	-	-	-	-	( 19,692 )	-	( 19,692 )
Net profit for the year ended December 31, 2021	-	-	-	-	-	496,660	-	496,660
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	496,660	-	496,660
Cash capital increase	2,175	21,750	200,970	-	-	-	-	222,720
Issue of ordinary shares under employee share options	1,478	14,780	43,376	( 11,156 )	-	-	-	47,000
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	( 11 )	( 11 )
Changes in ownership interests in subsidiaries	-	-	-	-	-	( 392 )	16	( 376 )
Other changes in capital surplus :								
Recognition of employee share options by the Company	-	-	-	1,320	-	-	-	1,320
BALANCE, DECEMBER 31, 2021	43,037	\$ 430,365	\$ 634,690	\$ 17,713	\$ 58,456	\$ 591,569	\$ 15	\$ 1,732,808

The accompanying notes are an integral part of the parent company only financial statements.

**ASOLID TECHNOLOGY CO., LTD.**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**STATEMENTS OF CASH FLOWS**  
**(In Thousands of New Taiwan Dollars)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (Loss) before income tax	\$ 622,227	\$ 39,489
Adjustments for :		
Depreciation expenses	7,240	7,661
Amortization expense	22,948	23,289
Expected credit losses	10,000	8,000
Finance costs	1,151	3,290
Interest income	( 474 )	( 165 )
Compensation cost of employee share options	1,320	9,940
Share of losses of subsidiaries and associates	( 3,600 )	6,750
Equity method investment impairment loss	-	5,139
Loss for market price decline and obsolete and slow-moving inventories	13,000	15,351
Net loss (gain) on foreign currency exchange	725	8,639
Net changes related to operating assets and liabilities		
Accounts receivable	( 72,991 )	( 50,794 )
Other receivables	-	68,589
Inventories	10,140	67,097
Other current assets	( 6,088 )	( 1,490 )
Prepayments	( 91 )	979
Contract liabilities	( 2,271 )	4,505
Notes payable	( 1,181 )	1,181
Accounts payable	74,206	( 75,652 )
Other payables	134,226	( 4,903 )
Other current liabilities	( 833 )	1,326
Cash generated from operations	809,654	138,221
Interest paid	( 1,151 )	( 3,290 )
Income tax paid	( 12,177 )	( 15,618 )
Net cash (used in) generated from operating activities	<u>796,326</u>	<u>119,313</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	( 17 )	( 20 )
Net cash outflow from acquiring subsidiaries	( 348 )	-
Payment for property, plant and equipment	( 4,496 )	( 8,133 )

(Continued)

	<u>2021</u>	<u>2020</u>
(Increase) Decrease in refundable deposits	255	( 804 )
Payment for intangible assets	( 23,166 )	( 28,655 )
Interest received	<u>474</u>	<u>165</u>
Net cash used in investing activities	( <u>27,298</u> )	( <u>37,447</u> )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	461,971	818,427
Decrease in short-term loans	( 590,515 )	( 841,375 )
Cash dividends paid	( 19,692 )	( 19,692 )
Cash capital increase	222,720	-
Exercise of employee share options	<u>47,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>121,484</u>	( <u>42,640</u> )
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	( <u>1,292</u> )	( <u>6,912</u> )
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>889,220</b>	<b>32,314</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>510,699</b></u>	<u><b>478,385</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 1,399,919</b></u>	<u><b>\$ 510,699</b></u>

The accompanying notes are an integral part of the parent company only financial statements.

## Attachment 5 : 2021 Audit Report and Consolidated Financial Statements

### INDEPENDENT AUDITORS' REPORT

ASolid Technology Co., Ltd.

#### Introduction

We have audited the consolidated financial statements of ASolid Technology Co., Ltd (the “Corporation”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is stated as follows:

##### Key Audit Matters – The authenticity of sales revenue

The sales amount of integrated circuits is significant, the relevant revenue recognition policies and information please refer Note 4 and Note 21. Sales revenue in 2021 will increase significantly compared with the previous year. For specific customers with significant sales growth and significant transaction amount in this year, the risk of authenticity of sales revenue is relatively high. Thus, the authenticity of sales revenue has been identified as a key audit matter.

Our audit procedure for this includes checking above customers' orders, sales invoices and account receipts and other relevant documents for the sale transactions of the aforementioned customers and sending correspondence to confirm the authenticity of the occurrence of income.

## **Other Matter**

We have also audited the parent company only financial statements of ASolid Technology Co., Ltd as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with emphasis of matter paragraph.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Su-Li Fang and Tung-Hui Yeh.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 18, 2022

*Notice to Readers*

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

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



**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020		LIABILITIES AND EQUITY	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents (Note4、6 and 30)	\$ 1,400,541	64	\$ 524,603	42	Short-term borrowings (Note 4、16 and 30)	\$ -	-	\$ 126,450	10
Financial assets at amortized cost-current (Note4、7、30 and 32)	25,066	1	25,049	2	Contract liability-current (Note 21)	4,806	-	7,077	1
Accounts Receivable Non-related parties (Note 4、 8、21 and 30)	339,586	15	231,827	18	Notes payable- Non-related parties (Note 17 and 30)	-	-	1,181	-
Inventories (Note4、5 and 9)	283,220	13	324,643	26	Accounts payable- Non related parties (Note 17 and 30)	144,797	7	68,628	6
Prepayments	11,113	1	12,587	1	Other payables (Note 18 and 30)	195,770	9	62,012	5
Other current assets (Note 15)	433	-	369	-	Tax payable (Note 4 and 23)	118,320	5	4,786	-
Total current assets	<u>2,059,959</u>	<u>94</u>	<u>1,119,078</u>	<u>89</u>	Other current liabilities (Note 18)	1,088	-	1,868	-
					Total current liabilities	<u>464,781</u>	<u>21</u>	<u>272,002</u>	<u>22</u>
<b>NON-CURRENT ASSETS</b>					<b>NON-CURRENT LIABILITIES</b>				
Property, plant and equipment (Note4、11 32)	85,821	4	88,568	7	Deferred tax liabilities (Note 4 and 23)	2,928	-	3,749	-
Intangible assets (Note 4 and 14)	36,947	1	30,743	3	Guarantee deposits received(Note 30)	114	-	114	-
Deferred tax assets (Note 4 and 23)	16,392	1	17,092	1	Total non-current liabilities	<u>3,042</u>	<u>-</u>	<u>3,863</u>	<u>-</u>
Guarantee deposits paid (Note 30)	1,858	-	2,125	-	Total liabilities	<u>467,823</u>	<u>21</u>	<u>275,865</u>	<u>22</u>
Total non-current assets	<u>141,018</u>	<u>6</u>	<u>138,528</u>	<u>11</u>	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 20)</b>				
					Common shares	<u>430,365</u>	<u>20</u>	<u>393,835</u>	<u>31</u>
					Capital surplus				
					Additional paid-in capital	634,690	29	390,344	31
					Employee share options	17,713	1	27,549	2
					Total capital surplus	<u>652,403</u>	<u>30</u>	<u>417,893</u>	<u>33</u>
					Retained earnings				
					Legal reserve	58,456	2	55,219	4
					Unappropriated earnings	591,569	27	118,230	10
					Total retained earnings	<u>650,025</u>	<u>29</u>	<u>173,449</u>	<u>14</u>
					Other equity	15	-	10	-
					Total equity attributable to owner of the company	1,732,808	79	985,187	78
					<b>NON-CONTROLLING INTERESTS</b>	<u>346</u>	<u>-</u>	<u>( 3,446 )</u>	<u>-</u>
					Total equity	<u>1,733,154</u>	<u>79</u>	<u>981,741</u>	<u>78</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,200,977</u>	<u>100</u>	<u>\$ 1,257,606</u>	<u>100</u>	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 2,200,977</u>	<u>100</u>	<u>\$ 1,257,606</u>	<u>100</u>

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

(With Deloitte & Touche report dated March 18, 2022)

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4 and 21)	\$ 1,950,755	100	\$ 939,612	100
OPERATING COSTS (Note 9 and 22)	( 770,667)	( 39)	( 480,472)	( 51)
GROSS PROFIT	<u>1,180,088</u>	<u>61</u>	<u>459,140</u>	<u>49</u>
OPERATING EXPENSES (Note 22)				
Marketing	( 91,498)	( 5)	( 68,445)	( 7)
General and administrative	( 89,615)	( 5)	( 74,406)	( 8)
Research and development	( 366,585)	( 19)	( 288,130)	( 31)
Reversal of expected credit losses (Note 8)	( 10,000)	-	( 8,000)	( 1)
Total operating expenses	( 557,698)	( 29)	( 438,981)	( 47)
OPERATING INCOME	<u>622,390</u>	<u>32</u>	<u>20,159</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	483	-	190	-
Other income	3,988	-	15,947	2
Other gains and losses	( 1,360)	-	3,281	-
Financial costs	( 1,151)	-	( 3,290)	-
Total non-operating income and expenses	<u>1,960</u>	<u>-</u>	<u>16,128</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	624,350	32	36,287	4
INCOME TAX EXPENSE (Note 4 and 23)	( 125,591)	( 6)	( 7,120)	( 1)
NET PROFIT FOR THE YEAR	<u>498,759</u>	<u>26</u>	<u>29,167</u>	<u>3</u>

( Continued )

	2021		2020	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME</b>				
Items likely to be reclassified to profit or loss in subsequent period :				
Exchange differences on translation of foreign financial statements				
Total other comprehensive income	( <u>1</u> )	-	( <u>1</u> )	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (AFTER TAX)</b>				
	( <u>1</u> )	-	( <u>1</u> )	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>				
	<u>\$ 498,758</u>	<u>26</u>	<u>\$ 29,166</u>	<u>3</u>
<b>NET PROFIT(LOSS) ATTRIBUTED TO:</b>				
Owners of the Corporation	\$ 496,660	26	\$ 32,369	3
Non-controlling interests	<u>2,099</u>	-	( <u>3,202</u> )	-
	<u>\$ 498,759</u>	<u>26</u>	<u>\$ 29,167</u>	<u>3</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:</b>				
Owners of the Corporation	\$ 496,660	26	\$ 32,368	3
Non-controlling interests	<u>2,098</u>	-	( <u>3,202</u> )	-
	<u>\$ 498,758</u>	<u>26</u>	<u>\$ 29,166</u>	<u>3</u>
<b>EARNINGS PER SHARE ; NEW TAIWAN DOLLARS (Note 24)</b>				
Basic	<u>\$ 12.20</u>		<u>\$ 0.82</u>	
Diluted	<u>\$ 11.55</u>		<u>\$ 0.82</u>	

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche report dated March 18, 2022)

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Other Equity		Total Equity
	Share Capital		Capital surplus		Retained Earnings		Exchange	Differences	
	Shares (In thousands)	Amount	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Foreign Operations	on Translating the Financial Statements of	Foreign Operations	
BALANCE, JANUARY 1, 2020	39,384	\$ 393,835	\$ 390,344	\$ 17,609	\$ 49,104	\$ 111,668	\$ 11	( \$ 244 )	\$ 962,327
Appropriations of 2019 earnings									
Legal capital reserve	-	-	-	-	6,115	( 6,115 )	-	-	-
Cash dividends to shareholders	-	-	-	-	-	( 19,692 )	-	-	( 19,692 )
Net profit for the year ended December 31, 2020	-	-	-	-	-	32,369	-	( 3,202 )	29,167
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	( 1 )	-	( 1 )
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	32,369	( 1 )	( 3,202 )	29,166
Other changes in capital surplus :									
Recognition of employee share options by the Company	-	-	-	9,940	-	-	-	-	9,940
BALANCE, DECEMBER 31, 2020	39,384	393,835	390,344	27,549	55,219	118,230	10	( 3,446 )	981,741
Appropriations of 2020 earnings									
Legal capital reserve	-	-	-	-	3,237	( 3,237 )	-	-	-
Cash dividends to shareholders	-	-	-	-	-	( 19,692 )	-	-	( 19,692 )
Net profit for the year ended December 31, 2021	-	-	-	-	-	496,660	-	2,099	498,759
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	( 1 )	( 1 )
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	496,660	-	2,098	498,758
Cash capital increase	2,175	21,750	200,970	-	-	-	-	-	222,720
Issue of ordinary shares under employee share options	1,478	14,780	43,376	( 11,156 )	-	-	-	-	47,000
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	( 11 )	1,666	1,655
Changes in ownership interests in subsidiaries	-	-	-	-	-	( 392 )	16	28	( 348 )
Other changes in capital surplus :									
Recognition of employee share options by the Company	-	-	-	1,320	-	-	-	-	1,320
BALANCE, DECEMBER 31, 2021	<u>43,037</u>	<u>\$ 430,365</u>	<u>\$ 634,690</u>	<u>\$ 17,713</u>	<u>\$ 58,456</u>	<u>\$ 591,569</u>	<u>\$ 15</u>	<u>\$ 346</u>	<u>\$ 1,733,154</u>

The accompanying notes are an integral part of these consolidated financial statements.  
(With Deloitte & Touche report dated March 18, 2022)

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**(In Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (Loss) before income tax	\$ 624,350	\$ 36,287
Adjustments for :		
Depreciation expenses	7,244	7,702
Amortization expense	16,962	27,308
Expected credit losses	10,000	8,000
Finance costs	1,151	3,290
Interest income	( 483)	( 190)
Compensation cost of employee share options	1,320	9,940
Loss for market price decline and obsolete and slow-moving inventories	13,416	15,351
Impairment loss of intangible assets	-	5,139
Net loss (gain) on foreign currency exchange	725	8,639
Net changes related to operating assets and liabilities		
Accounts receivable	( 111,431)	13,289
Other receivables	-	182
Inventories	28,007	60,671
Other current assets	1,474	( 157)
Prepayments	( 64)	932
Contract liabilities	( 2,271)	3,638
Notes payable	( 1,181)	1,181
Accounts payable	74,157	( 83,474)
Other payables	133,758	( 5,682)
Other current liabilities	( 780)	1,319
Cash generated from operations	796,354	113,365
Interest paid	( 1,151)	( 3,290)
Income tax paid	( 12,177)	( 15,618)
Net cash (used in) generated from operating activities	<u>783,026</u>	<u>94,457</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	( 17)	( 20)
Net cash outflow from acquiring subsidiaries	( 348)	-
Payment for property, plant and equipment	( 4,496)	( 8,133)
(Increase) Decrease in refundable deposits	267	( 561)
Payment for intangible assets	( 23,166)	( 19,654)

( Continued )

	<u>2021</u>	<u>2020</u>
Proceeds from disposal of intangible assets	-	-
Interest received	<u>483</u>	<u>190</u>
Net cash used in investing activities	( <u>27,277</u> )	( <u>28,178</u> )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	461,971	818,427
Decrease in short-term loans	( 590,515 )	( 841,375 )
Cash dividends paid	( 19,692 )	( 19,692 )
Cash capital increase	222,720	-
Exercise of employee share options	<u>47,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>121,484</u>	( <u>42,640</u> )
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	( <u>1,295</u> )	( <u>7,586</u> )
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	875,938	16,053
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>524,603</u>	<u>508,550</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$1,400,541</u>	<u>\$ 524,603</u>

The accompanying notes are an integral part of these consolidated financial statements.  
(With Deloitte & Touche report dated March 18, 2022)

Attachment 6: 「Regulations Governing the Acquisition and Disposal of Assets」 Comparison table of provisions before and after amendment

ASolid Technology Co., Ltd.  
Regulations Governing the Acquisition and Disposal of Assets  
Comparison table of provisions before and after amendment

After revision	Current provision	Explanatory Notes
<p>6.1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: (Paragraphs 1 to 3 are omitted) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply <u>with the self-regulatory rules of the industry associations to which they belong and</u> with the following provisions:</p> <p>I、Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II、When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III、They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV、They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and reasonable, and that they have</p>	<p>6.1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: (Paragraphs 1 to 3 are omitted) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions：</p> <p>I、Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II、When <u>checking</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III、They shall undertake an <u>item-by-item evaluation of the completeness, correctness and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV、They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>correct</u> and that they have complied with applicable laws and regulations.</p>	<p>Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission Modified 「Regulations Governing the Acquisition and Disposal of Assets」</p>

After revision	Current provision	Explanatory Notes
<p>complied with applicable laws and regulations.</p>		
<p>6.3 Acquiring or disposing of real property or its right-of-use assets or other fixed assets (Paragraphs 1 to 2 are omitted)</p> <p>III、In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:：</p> <ol style="list-style-type: none"> <li>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</li> <li>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the</li> </ol>	<p>6.3 Acquiring or disposing of real property or its right-of-use assets or other fixed assets (Paragraphs 1 to 2 are omitted)</p> <p>III、In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:：</p> <ol style="list-style-type: none"> <li>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</li> <li>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant <u>in accordance with the Accounting Research and</u></li> </ol>	<p>Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission Modified 「Regulations Governing the Acquisition and Disposal of Assets」</p>



After revision	Current provision	Explanatory Notes
<p>reason for the discrepancy and the appropriateness of the transaction price :</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV 、 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>V 、 Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, <u>and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.</u></p>	<p><u>Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation), the Accounting Standards Bulletin No. 20</u>, shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price :</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV 、 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>V 、 Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, <u>and the certified public accountant's opinion.</u></p>	
<p>6.4 acquire or dispose of securities (Paragraphs 1 to 2 are omitted)</p> <p>III 、 A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public</p>	<p>6.4 acquire or dispose of securities (Paragraphs 1 to 2 are omitted)</p> <p>III 、 A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public</p>	<p>Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission Modified 「 Regulations</p>

After revision	Current provision	Explanatory Notes
<p>accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>(Paragraphs 4 are omitted)</p>	<p>accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the accountant needs to use the expert report, he should follow the provisions of the Bulletin of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>(Paragraphs 4 are omitted)</p>	<p>Governing the Acquisition and Disposal of Assets 』</p>
<p>6.5 Acquiring or disposing of membership cards or intangible assets or their right-to-use assets (Paragraphs 1 to 2 are omitted) III、Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>6.5 Acquiring or disposing of membership cards or intangible assets or their right-to-use assets (Paragraphs 1 to 2 are omitted) III、Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. <u>Accountants should follow the provisions of the Bulletin on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.</u></p>	<p>Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission Modified 「Regulations Governing the Acquisition and Disposal of Assets 』</p>
<p>6.8 Related Party Transactions (Paragraphs 1 to 3 are omitted) IV、The calculation of the transaction</p>	<p>6.8 Related Party Transactions (Paragraphs 1 to 3 are omitted) IV、The calculation of the transaction</p>	<p>Order No. Financial-Supervisory-Securities-Corporate-</p>

After revision	Current provision	Explanatory Notes
<p>amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 6.14, Paragraph 1, subparagraphs 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders meeting</u> or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>(Paragraphs 5 to 6 are omitted)</p> <p>VII、<u>If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>VIII、Assess transaction costs (Omitted below)</p>	<p>amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 6.14, Paragraph 1, subparagraphs 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>(Paragraphs 5 to 6 are omitted)</p> <p>VII、Assess transaction costs (Omitted below)</p>	<p>rate-1110380465 of the Financial Supervisory Commission Modified 「Regulations Governing the Acquisition and Disposal of Assets」</p>
<p>6.14 Under any of the following circumstances, company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (Paragraphs 1 to 3 are omitted)</p> <p>IV、Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of</p>	<p>6.14 Under any of the following circumstances, company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (Paragraphs 1 to 3 are omitted)</p> <p>IV、Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of</p>	<p>Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission Modified 「Regulations Governing the Acquisition and Disposal of Assets」</p>

After revision	Current provision	Explanatory Notes
<p>paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances :</p> <p>1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, <u>or subscription of foreign government bonds</u>, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(Paragraphs 3 to 6 are omitted)</p>	<p>paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances :</p> <p>1. Trading of domestic government bonds</p> <p>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds , or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(Paragraphs 3 to 6 are omitted)</p>	
<p>6.18 This acquisition or disposal of assets management procedures was established on May 19, 2014.</p> <p>The first revision was approved by the Board of Directors on 21 December 2015.</p> <p>The second revision was approved by the board of directors on March 26, 2019.</p> <p>The first revision was approved by the Board of Directors on 21 December 2015.</p> <p><u>The third revision was approved by the board of directors on March 18, 2022.</u></p>	<p>6.18 This acquisition or disposal of assets management procedures was established on May 19, 2014.</p> <p>The first revision was approved by the Board of Directors on 21 December 2015.</p> <p>The second revision was approved by the board of directors on March 26, 2019.</p>	<p>Add revision date</p>

## Appendix 1: Articles of Incorporation

### **ASolid Technology Co., Ltd.**

#### Articles of Incorporation

#### Section I - General Provisions

Article 1 : The Corporation shall be incorporated, as a company limited by shares, under the Company Law, and its name shall be ASolid Technology Co., Ltd.

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

1. CC01080 Electronic Parts and Components Manufacturing
2. F119010 Wholesale of electronic materials
3. F401010 International trade
4. I301010 Information software service
5. I301020 Data processing services
6. I501010 Product design
7. ZZ99999 In addition to licensed businesses, businesses that are not prohibited or restricted by laws and regulations may be operated

Article 3 : The company has a head office in the Hsinchu City. When necessary, it can set up branches at home and abroad after a resolution of the board of directors.

Article 4 : Public announcements of the Corporation shall be made in accordance with the Company Law Article 28.

Article 5 : The Corporation may provide endorsement and guarantee and act as a guarantor.

#### Section II - Capital Stock

Article 6 : The total capital stock of the Corporation shall be in the amount of 1,000,000,000 New Taiwan Dollars, divided into 100,000,000 shares, at 10 New Taiwan Dollars each, and authorized board paid-up in installments. A total of 100,000,000 New Taiwan Dollars among the above total capital stock should be reserved for issuing employee stock options, 10,000,000 shares in total, at 10 New Taiwan Dollars each, and authorized board paid-up in installments.

Article 7 : The share certificates of the Company shall all be name-bearing share certificates and signed or sealed by directors. The share certificates shall be issued after being certified by authority concerned or its approved certificate organizations. After the company issued shares in public, the Company may not print share certificates for the new issuance. Registers of share certificates shall contact the share certificates' depository and clearing organizations.

Article 8 : Changes recorded in the shareholder register shall be suspended within 30 days before the ordinary shareholders' meeting, within 15 days before the extraordinary shareholders' meeting, or within 5 days before the base day before the company decides to distribute dividends, bonuses or other benefits.

After the company issued shares in public, Changes recorded in the shareholder register shall be suspended within 60 days before the ordinary shareholders' meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the base day before the company decides to distribute dividends, bonuses or other benefits.

#### Section III –Shareholders meeting

Article 9 : Shareholders' meetings of the Corporation are of two types, regular meetings and special meetings. Regular meeting is held once a year. Regular meetings shall be convened, by the Board of Directors, within six months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws. When convening a shareholders' meeting, it shall be conducted electronically, and voting rights may be exercised in writing, and the exercise method shall be handled in accordance with relevant laws and regulations.

- Article 10 : A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney expressly bearing the scope of the authorized power to appoint a proxy to attend the meeting on behalf. The use of the power of attorney shall be handled in accordance with the provisions of Article 177 of the Company Law and the " Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies "
- Article 11 : Shareholders of the company, except for the circumstances stipulated in Article 157, Paragraph 3 and Article 179 of the Company Law, have one vote per share.
- Article 12 : Unless otherwise stipulated by the Company Law, the resolution of the shareholders' meeting shall be attended by shareholders representing more than half of the total issued shares in person or by proxy, with the consent of more than half of the voting rights of the shareholders present.
- Article 12-1 : The shareholders' meeting is convened by the board of directors, with the chairman as the chairman. If the chairman requests leave or is unable to exercise his powers for some reason, the chairman shall designate a director to act as an agent. The convening authority shall be convened by a person other than the board of directors, and the chairman shall be the convening authority.
- Article 13 : The resolutions of the shareholders' meeting shall be made into minutes, which shall be signed or sealed by the chairman of the shareholders' meeting, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The production and distribution of minutes of proceedings may be done electronically.  
After the company's shares were publicly issued, the proceedings are distributed in a public announcement.
- Article 14 : After the company's public offering, if it intends to cancel the public offering, there should be a shareholders' meeting representing more than two-thirds of the total number of issued shares, with the consent of more than half of the voting rights of the shareholders present.

#### Section IV - Directors

- Article 15 : The company has five to ten directors, of which the number of independent directors shall not be less than three, and shall not be less than one-third of the number of directors. The term of directors is three years, and the candidate nomination system is adopted. The shareholders meeting have the ability to choose and appoint, and they can be re-elected. During their term of company, directors shall purchase liability insurance for their legal liabilities for the execution of their business scope.  
The company may set up functional committees, and the establishment, powers and compliance of relevant committees shall be handled in accordance with the relevant regulations issued by the competent authority.
- Article 16 : When the vacancy of the board of directors reaches one-third, the board of directors shall hold an extraordinary general meeting of shareholders within 30 days for election. After the company's public offering, the board of directors shall hold an extraordinary general meeting of shareholders within 60 days for election.
- Article 17 : When the term of a director expires and is not due for re-election, his/her executive duties shall be extended until the re-elected director takes office. However, the competent authority, in accordance with its functions and powers, will order the company to re-elect within a time limit; if the re-election is not made within the time limit, the company will be dismissed of course when the time limit expires.
- Article 18 : The professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other matters to be followed by independent directors shall be handled in accordance with the relevant laws and regulations of the competent authority.
- Article 18-1 : In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the company has established an audit committee, which is composed of all independent directors. Matters such as the number, term of office, powers, and rules of procedure of the audit

committee shall be handled in accordance with the organizational regulations of the audit committee and the relevant laws and regulations of the competent authority.

Article 19 : The board of directors shall be organized by the directors, with more than two-thirds of the directors present and more than half of the directors present agree to recommend a chairman, who will represent the company externally.

Article 20 : When the chairman asks for leave or is unable to exercise his powers for some reason, his agent shall handle it in accordance with the provisions of Article 208 of the Company Law. The board of directors shall be convened by the chairman of the board, and the directors shall attend the board of directors in person. Any director who is unable to attend a Board of Directors' meeting shall appoint another director as his proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director. For the convening of the board of directors, the reasons shall be stated and the directors shall be notified seven days in advance. However, in the event of an emergency, they may be called at any time. The convening of the board of directors of the company may be notified to the directors in writing, electronically or by fax.

Article 21 : The remuneration of the directors of the company is authorized to the board of directors, according to the level of their participation in the company's operations and the value of their contributions, and the usual level of the industry.

## Section V - Management of the Corporation

Article 22 : The Company shall have managers whose appointment, discharge and remuneration shall be in accordance with the Article 29 of the Company Law.

## Section VI - Financial Reports

Article 23 : After the close of each fiscal year, the following reports(1)Business Report, (2)Financial Statements,(3)Proposal Concerning Appropriation of Earnings or Covering of Losses,shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for acceptance:

Article 24 : If the company has a profit in the year (profit refers to the profit before tax deducting the profit before the distribution of employee remuneration and director's remuneration), 7-17% should be allocated as employee's remuneration and no more than 5% as director's remuneration. However, when the company still has accumulated losses (including adjustment of undistributed surplus balance), it should reserve the amount in advance to make up. Employee remuneration may be in stock or cash, and may include subordinate employees who meet the conditions set by the board of directors. Directors' remuneration is in cash only. Employee remuneration and director remuneration shall be implemented by the board of directors with the attendance of more than two-thirds of the directors and a resolution approved by more than half of the directors present, and shall be reported to the shareholders' meeting. When the company issues the following, the recipients of the issue may include employees of controlling or subordinate companies who meet certain conditions, and the certain conditions shall be determined by the board of directors. 1. Transfer of treasury shares to employees 2. Employee stock option certificates 3. Issuance of new shares to be purchased by employees 4. Restricting employees' rights to new shares.

If there is a net profit after tax for the current period in the annual final accounts, the accumulated losses (including the adjustment of the undistributed surplus amount) shall be made up first, and 10% shall be allocated as statutory surplus reserve according to law. However, when the statutory surplus reserve has reached the total paid-in capital of the company, this limitation is not applicable. The special surplus reserve shall be allocated or reversed according to the decree or the regulations of the competent authority. For the remaining surplus, together with the undistributed surplus at the beginning of the same period (including the adjustment of the undistributed surplus amount), the board of directors shall

formulate a surplus distribution proposal and submit it to the shareholders' meeting for resolution of distribution.

The company's dividend policy, according to the current and future development plans, considering the investment environment, capital needs and domestic and foreign competition conditions, shareholders' interests and other factors, cash or stock dividends shall not be less than 10% of the distributable amount of the current year's earnings. The proportion of cash dividends distributed to shareholders shall not be less than 10% of the total dividends to shareholders. The company may adjust the distribution principles of cash dividends and stock dividends when necessary depending on factors such as economic conditions, industrial development and capital needs.

## Section VII - Supplementary Provisions

- Article 25 : A company may reinvest as necessary for business operations, and may become a limited liability shareholder of another company upon a resolution of the board of directors, and its reinvestment may exceed 40% of the paid-in capital.
- Article 26 : In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.
- Article 27 : This articles of incorporation is established on February 29, 2008.  
The 1st amendment on February 29, 2008.  
The 2st amendment on March 02, 2009.  
The 3st amendment on January 04, 2010.  
The 4st amendment on September 15, 2011.  
The 5st amendment on December 31, 2013.  
The 6st amendment on June 23, 2014.  
The 7st amendment on June14, 2016.  
The 8st amendment on August 26, 2021.

ASolid Technology Co., Ltd.

Kevin Liu



## Appendix 2: Rules and Procedures of Shareholders' Meeting

### 1.Revision History:03

### 2.Purpose

To establish a strong governance system and sound supervisory capabilities for this Corporation'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.

### 3.Scope

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### 4.Responsibility:No.

### 5.Definition: No.

### 6.Operation Content

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

6.2.The Corporation 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 or supervisors, 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 Corporation 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 15days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

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

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, capital reduction, withdraw public offering, non-competition restrictions for directors, capital increase by earnings and by capital surplus, the dissolution, merger, or demerger of the corporation, or any matter under Article 185,paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. The content shall be placed on the website designated by the securities regulatory authority or the company, and the website address shall be stated in the notice. The reasons for convening the shareholders' meeting have stated the general re-election of directors and supervisors, and the date of their inauguration. A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Shareholders' proposals are proposals to urge the company to promote public interests or fulfill its social responsibilities, and the board of directors may include them in the proposal. In addition, 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.

6.3. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation 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 this Corporation before 5 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 this Corporation, 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 this Corporation before 2 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.

6.4. The venue for a shareholders' meeting shall be the premises of this Corporation, 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.

6.5. The Corporation shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations 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 and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.

6.6. 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 independent director. 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.

6.7. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make 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 1 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.

6.8. Attendance at shareholders' meeting 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. 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 1 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 1 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.

- 6.9. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant motions (including extraordinary meetings and amendments to the original motions) shall be voted on a case-by-case basis. 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, and provide enough voting time.

- 6.10. 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.

- 6.11. 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 this Corporation, 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 3 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.

6.12. 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 this Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation 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 this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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 this Corporation, by the same means by which the voting rights were exercised, before 2 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 this Corporation'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 Corporation.

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.

6.13. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

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 1 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.

- 6.14. 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.

This Corporation 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 (including counting votes) were adopted, when directors and supervisors are elected, the number of votes obtained by each candidate shall be disclosed, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

- 6.15. On the day of a shareholders meeting, this Corporation 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 (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

- 6.16. 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 this Corporation, 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.

- 6.17. 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 5 days in accordance with Article 182 of the Company Act.

7.Reference:No.

8.Application Form : No.

9.Announcement

The formulation and amendment of these rules of procedure shall be approved by the board of directors and implemented after the approval of the shareholders' meeting.

Board approval date : May 19,2014.

Shareholders' meeting approval date : June 23,2014.

Board approval date (first revision): March 16,2015.

Shareholders' meeting approval date (first revision): June 22,2015.

Board approval date (second revision): August 10,2020.

Shareholders' meeting approval date (second revision): August 26, 2021.

### Appendix 3: Procedures for Election of Directors

1. Revision History: 02

2. Purpose

For fair, just and open election of directors, this procedure is formulated in accordance with Articles 21 and 41 of the "Code of Governance Practices"

3. Scope:

The election and appointment of directors of the company shall be handled in accordance with these procedures, unless otherwise stipulated by laws and regulations or bylaws.

4. Responsibility: None

5. Definition: None

6. Operation Content

6.1 The election of the Company's directors should be held with the considerations of the overall configuration of the Board and the diversification of the Board members. Board members should possess the necessary knowledge, skills, and literacy for performing duties, which include: :

(1) Operating judgment

(2) Accounting and financial analysis

(3) Management capability

(4) Crisis management capabilities

(5) Industry knowledge

(6) International market viewpoint

(7) Leadership

(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.

6.2 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

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

6.3 The election of directors of the company shall be conducted in accordance with the procedures of the candidate nomination system stipulated in Article 192-1 of the Company Law.

If the dismissal of any director for any reason causes the board with less than five directors in service, an election of directors should be held in the most recent shareholders' meeting. However, if the vacancy of board director is one thirds of the chairs designated, the Company shall have an extraordinary shareholders' meeting held within 60 days from the date of the event occurred.

If the number of independent directors does not meet the requirements of the proviso in Article 14-2, Subparagraph 1 of Securities Exchange Act, an election of directors should be held in the most recent shareholders' meeting. When all independent directors were dismissed, the Company shall have an extraordinary shareholders' meeting held within 60 days from the date of the event occurred.

6.4 The Company's election of directors should be handled in accordance with the cumulative suffrage system. Each stock share contains the suffrage equivalent to the number of directors to be elected, which can be distributed to one or more than one candidate.

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

6.6 The Company's directors are elected as independent directors and non-independent directors in that order in accordance with the number of chairs designated in the Articles of Incorporation from top

down. If there are two or more candidates received the same votes of suffrage resulting more candidates elected than the chairs designated, the candidates who received the same votes of suffrage are to take a draw for a solution; also, the Chairman is to take a draw on behalf of the absentees.

6.7 Before the election commences, the chairman shall appoint several persons to be voting supervisors and vote counters each to perform relevant duties respectively. The voting supervisors may be appointed from among the shareholders present. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the voting supervisors before voting commences.

6.8 Allots are invalid in any of the following circumstances:

- (1) Ballot papers prepared by the right holder are not required
- (2) Blank ballots that are casted in the ballot box.
- (3) Unidentifiable ballot due to illegible or incomplete corrections.
- (4) The filled candidate does not match the list of director candidates.
- (5) In addition to filling in the number of voting rights, include other words.

6.9 After the voting is completed, the ballots will be counted on the spot, and the chairman or designated emcee will announce the list of elected directors on the spot.

6.10 The board of directors of the Company will issue an elected notice to each elected director.

7. Reference: None

8. Application Form : None

9. Announcement

The formulation and amendment of these rules of procedure shall be approved by the board of directors and implemented after the approval of the shareholders' meeting.

Board approval date : May 19, 2014.

Shareholders' meeting approval date : June 23, 2014.

Board approval date (first revision) : August 10, 2020.

Shareholders' meeting approval date (first revision): August 26, 2021.

## Appendix 4: Regulations Governing the Acquisition and Disposal of Assets (Before revision)

### 1.Revision History:03

### 2.Purpose

In order to strengthen asset management and achieve the purpose of full disclosure, the procedures for acquiring or disposing of assets are formulated in accordance with Article 36-1 of the Securities and Exchange Law.

### 3.Scope:

- 3.1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- 3.2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- 3.3. Memberships.
- 3.4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- 3.5. Right-of-use assets.
- 3.6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- 3.7. Derivatives.
- 3.8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- 3.9. Other major assets.

### 4.Responsibility:

- 4.1. This processing procedure is determined by the financial unit in accordance with the relevant laws and regulations of the competent authority and the actual situation of the company. New and any additions, deletions and revisions must be approved by the board of directors, submitted to the supervisors or audit committees, and submitted to the shareholders' meeting for approval. If a director expresses dissent and there is a record or written statement, the company shall send the director's dissent information to each supervisor or audit committee.
- 4.2. Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.
- 4.3. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
- 4.4. If independent directors have been established, when submitting Regulations Governing the Acquisition and Disposal of Assets to the board of directors for discussion, the opinions of each independent director shall be fully considered. Any dissenting opinions or reservations of independent directors shall be stated in the minutes of the board meeting.
- 4.5. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

### 5.Definition:

- 5.1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.



- 5.2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- 5.3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 5.4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- 5.5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- 5.6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- 5.7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- 5.8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
6. Operation Content
- 6.1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
- I ∙ May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
  - II ∙ May not be a related party or de facto related party of any party to the transaction.
  - III ∙ If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.
- When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:
- I ∙ Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
  - II ∙ When conducting a case, they shall appropriately plan and execute adequate working procedures, in

order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

- III、They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV、They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

6.2. The investment scope and quota of the company and its subsidiaries are as follows：

I、Portfolio Investment：

The total investment shall not exceed 40% of the shareholders' equity (excluding the amount of impairment losses) of each company (the company and its subsidiaries). The limit of investment in individual marketable securities does not exceed 20% of the shareholders' equity (excluding the amount of impairment losses) of each company (referring to the company and its subsidiaries).

II、Immovable property for non-commercial use：

The total investment does not exceed 20% of each company's shareholders' equity (excluding the amount of impairment losses).

Unless otherwise specified in the company's articles of association, the above-mentioned total amount is subject to investment, or the company's articles of association provide for the consent of the shareholders or the resolution of the shareholders' meeting in accordance with Article 13 of the Company Act. Shall not exceed 40% of the shareholders' equity (excluding the amount of impairment losses) of each company (referring to the company and its subsidiaries)

6.3. Acquiring or disposing of real property or its right-of-use assets or other fixed assets

I、Assessment and Operational Procedures：The company acquires or disposes of real estate or its right-of-use assets and other fixed assets, and handles it in accordance with the internal control system and fixed asset cycle procedures.

II、Transaction Conditions and Authorization Amount Determination Procedure

1. To acquire or dispose of real estate, refer to the current value of the announcement, the assessed value (including the valuation report) and the actual transaction price nearby, etc. When deciding on the transaction conditions and transaction price, an analysis report should be prepared and submitted to the general manager and the chairman of the board. The authorization limit is handled according to the approval authority.
2. To acquire or dispose of other fixed assets, one should choose one of the methods of price inquiry, price comparison, price negotiation or bidding.
3. Authorization amount and level  
The acquisition and disposal of the assets of the company shall be handled in accordance with the approval authority of the company.
4. Executive unit  
The acquisition and disposal of the assets of the company is carried out by the financial unit。
5. Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in

the minutes of the board of directors meeting. If the company has set up an audit committee, significant assets or derivatives transactions shall be approved by more than half of all members of the audit committee, and a resolution of the board of directors shall be submitted, and the provisions of 4.3 and 4.5 shall apply mutatis mutandis.

III ∙ In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
  - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

IV ∙ No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

V ∙ Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountants' opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.

#### 6.4. acquire or dispose of securities

I ∙ Assessment and Operational Procedures : The purchase and sale of securities are handled in accordance with the internal control system "investment cycle" operation.

II ∙ Procedure for determining transaction conditions and authorization limit

1. Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. It is determined by the responsible unit according to market conditions, and its authorization limit is handled in accordance with the approval authority.
2. For the trading of securities not on the centralized trading market or the business premises of a securities firm, the most recent financial statements of the target company that have been audited, certified or reviewed by an accountant should be obtained as a reference for evaluating the transaction price. Considering its net worth per share, profitability and future development potential, etc., its authorization limit is handled according to the approval authority.

III ∙ A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or

reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the accountant needs to use the expert report, he should follow the provisions of the Bulletin of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

IV、The Company shall not give up the capital increase of Advanced Memory Technology Co., Ltd in future years. In the future, if the company has to give up the capital increase or disposal of Advanced Memory Technology Co., Ltd due to strategic alliance considerations or other factors, it must first be approved by the OTC Center, and the resubmission must be approved by a special resolution of the company's board of directors.

6.5. Acquiring or disposing of membership cards or intangible assets or their right-to-use assets

I、Assessment and Operational Procedures：To obtain or dispose of membership cards or intangible assets or assets of the right to use, an evaluation report must be submitted when applying, and the approval authority and the following procedures shall be followed.

II、Procedure for determining transaction conditions and authorization limit

1. To obtain or dispose of a membership card, the fair market value of the market shall be referred to, the transaction conditions and transaction price shall be determined, and an analysis report shall be prepared and submitted to the chairman of the board. If the amount is less than 1% of the paid-in capital or less than NT\$3 million, it shall be submitted to the chairman of the board of directors. Approved and should be submitted to the latest board meeting after the event; if it exceeds NT\$3 million, it must be submitted to the board of directors before it can be approved.

2. To acquire or dispose of intangible assets, refer to the expert evaluation report or the fair market price, decide the transaction conditions and transaction price, and prepare an analysis report and submit it to the chairman of the board. If the amount is less than 10% of the capital or less than 20 million yuan, it shall be submitted to the chairman for approval, and shall be reported to the latest board meeting afterwards; if it exceeds 20 million yuan, it shall be submitted to the board of directors for approval.

III、Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. Accountants should follow the provisions of the Bulletin on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.

6.6. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6.14, Paragraph 1, subparagraph 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

6.7. Where a public company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

6.8. Related Party Transactions

I、When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 6.6.

- II ∙ When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- III ∙ Assessment and Operational Procedures : When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the Audit Committee: :
1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
  2. The reason for choosing the related party as a transaction counterparty.
  3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 7, subparagraphs 1 to 5.
  4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
  5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
  6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
  7. Restrictive covenants and other important stipulations associated with the transaction.
- IV ∙ The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 6.14, Paragraph 1, subparagraphs 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.
- V ∙ With respect to the types of transactions listed below, when to be conducted between company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital :1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.2. Acquisition or disposal of real property right-of-use assets held for business use. The company's board of directors may pursuant to Article 6.3, Paragraph 2, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting
- VI ∙ Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 3 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 4.3 and 4.5.
- VII ∙ Assess transaction costs
1. Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means: :
    - A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average

interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

- B. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- 2. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- 3. A public company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.
- 4. Where a public company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding paragraph 3, and the preceding paragraph 7, three paragraphs do not apply:
  - A. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
  - B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property thereof to the signing date for the current transaction.
  - C. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
  - D. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- 5. When the results of a public company's appraisal conducted in accordance with paragraph 7, subparagraph 1 and subparagraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 7, subparagraph 6. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
  - A. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions :
    - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
    - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
  - B. Where a public company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
  - C. Completed transactions involving neighboring or closely valued parcels of land in the preceding

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

6. Where a public company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding paragraph 7, subparagraph 1-5 are uniformly lower than the transaction price, the following steps shall be taken:
  - A. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
  - B. Supervisors or audit committee shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
  - C. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

A public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When a public company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding paragraph 7, subparagraph 6 if there is other evidence indicating that the acquisition was not an arms length transaction.

- 6.9. The procedures for acquiring or disposing of the creditor's rights of a financial institution. In principle, the company does not engage in transactions of acquiring or disposing of the creditor's rights of a financial institution. If it engages in the transaction of acquiring or disposing of the creditor's rights of a financial institution, it will be submitted to the board of directors for approval, and then its evaluation and operating procedures will be formulated.
- 6.10. Trading principles and strategies
  - I、The types of derivatives that may be traded  
Derivative financial products referred to in this procedure refer to the definition of derivative products in 5.1 of this procedure.
  - II、Operating or hedging strategies  
Engaged in derivative financial product transactions, in order to assist the company in risk management and risk avoidance, trading financial products should choose to avoid the risks generated by the company's business operations.
  - III、Segregation of duties
    1. Financial unit
      - A. Commodity trading strategy formulation.
      - B. Capture market information, identify trends and risks.
      - C. Engaged in the execution and delivery of derivative financial product transactions.
      - D. Evaluate the effectiveness of hedging.
      - E. Fair value assessment of financial products.

F. A measure of hedging tools.

G. A measure of hedged items.

2. Accounting unit

A. Whether the transaction confirmation stamp, transaction confirmation and accounting treatment comply with the requirements of the Financial Accounting Standards Bulletin.

B. Prepare a detailed list of foreign exchange positions.

C. Regularly check the trading position with the bank.

D. Reports are produced regularly to provide information on risk exposure positions.

3. Audit unit

Regularly audit and supervise derivative financial product transactions and issue audit reports to the chairman, the board of directors, the supervisor or the audit committee.

IV ∙ Nature of transaction

1. Safe haven trade

A. Eligibility for risk-avoidance accounting: Those who meet the requirements for risk-aversion accounting stipulated by the competent authority shall apply the relevant accounting treatment of risk-aversion accounting.

B. Failure to meet the requirements for risk-avoidance accounting: If the purpose of risk-aversion is achieved, but the requirements for risk-aversion accounting are not met, a fair value evaluation shall be adopted, and the profit or loss shall be included in the current profit and loss according to the change in its fair value.

2. Non-risk-off trade

Operations for the purpose of trading; the company does not engage in operations for the purpose of trading.

V ∙ Essentials of performance evaluation

1. Effectiveness assessment: If hedging accounting is applied, it needs to be highly effective (80%~125%) to offset changes in fair value or cash flow.

2. The Financial Management Office shall evaluate and review the operational performance every month, and prepare an evaluation report in writing. The evaluation report shall be submitted to the financial supervisor, and a copy shall be given to the supervisor of the auditing office.

3. Non-risk-off transactions: The company does not engage in non-risk-off transactions.

VI ∙ Total amount of derivatives contracts that may be traded

The total contract amount of the transaction is capped at 50% of the net value. The net worth for the current period is based on the most recent financial report audited or reviewed by an accountant.

VII ∙ The maximum loss limit on total trading and for individual contracts

1. For foreign currency safe-haven forward foreign exchange transactions, the total and individual contract losses are capped at 15% of the transaction amount.

2. For interest rate swap hedging transactions, the total and individual contract losses are capped at 10% of the transaction amount.

3. For derivative financial products, the total and individual contract losses are capped at 10% of the transaction amount.

6.11. Internal Control System

I ∙ The internal control system must be based on the principle of business separation of transactions, settlement, audit, and supervision and management, so as to achieve the effect of professional division of labor and mutual checks and balances.

II ∙ Risk management measures

A. Credit risk management: The transaction object is based on the principle of internationally renowned and creditworthy banks.

B. Market price risk management: daily reconciliation of positions to market prices and daily calculation of market risk and comparison with risk limits.

C. Liquidity risk management: Avoid trading concentrated in the same market and specific products, and traders should reflect market liquidity at any time.

D. Cash flow risk management: usually pay attention to the company's cash flow to ensure that there



is sufficient cash payment at the time of delivery. In addition, it is necessary to pay attention to the credit status of the counterparty (financial institution) at any time, and the amount of its operation should take into account the fund demand for the forecast of cash receipts and payments in the next three months.

- E. Operational risk management: strictly abide by the operation regulations and procedures, and strictly abide by the division of responsibilities.
- F. Legal risk management: The documents signed with the counterparty are mainly general contracts in the market, and any unique contracts must be reviewed by legal advisers.

### III、Internal Control

- A. Trading, delivery personnel (financial) and confirmation (accounting) and other operating personnel shall not concurrently serve as each other.
- B. Traders should conduct transactions according to the authorized amount after being approved by the supervisor. After the transaction is completed and reviewed by the supervisor, the transaction voucher or contract will be delivered to the accounting unit for entry.
- C. Transaction and accounting personnel should regularly check the transaction details and total amount with the correspondent bank.
- D. Traders should always pay attention to and check whether the total transaction amount exceeds the total contract amount stipulated in this procedure.
- E. At the end of each month, the accounting unit will evaluate the profit and loss according to the closing price exchange rate, interest rate, etc. on the day, and prepare a report to provide to the top supervisor of the financial unit, and a copy to the audit supervisor. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
- F. The general manager of the company should pay attention to the measurement, supervision and control of derivative financial product risks at all times, and require relevant personnel to report to the board of directors.
- G. The company engages in derivative financial product transactions, which shall be authorized by the financial controller in accordance with the provisions of these procedures, and shall be reported to the board of directors afterwards.
- H. Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated, of the preceding article shall be recorded in detail in the log book.
- I. If the bank's authorized signatory of the company changes, it shall immediately notify the bank to make the change, and obtain a copy of the bank's authorized signatory or signature card after the change, and keep it on file with the change application document.

### IV、Board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

- A. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
- B. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

### V、Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

- A. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
- B. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present

at the meeting and express an opinion.

#### 6.12. Internal audit system

A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors or audit committee shall be notified in writing.

Where independent directors have been appointed in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.

Where an audit committee has been established in accordance with the provisions of the Act, the provisions of paragraph 2 relating to supervisors shall apply mutatis mutandis to the audit committee.

#### 6.13. Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

##### I - Assessment and Operational Procedures

1. A public company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.
2. Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

- ##### II -
- A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

- III ∙ When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.
- IV ∙ Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.
- V ∙ Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- VI ∙ Public companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
  2. An action, such as a disposal of major assets, that affects the company's financial operations.
  3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
  4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
  5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
  6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- VII ∙ The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
1. Handling of breach of contract.
  2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  4. The manner of handling changes in the number of participating entities or companies.
  5. Preliminary progress schedule for plan execution, and anticipated completion date.
  6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- VIII ∙ After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- IX ∙ If the company involved in merger, division, acquisition or share transfer has a non-public offering

company, the company shall sign an agreement with it and follow the provisions of Paragraphs 2 to 5 and 8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of paragraph 1-5 and 8.

- 6.14. Under any of the following circumstances, company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
- I ∙ Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
  - II ∙ Merger, demerger, acquisition, or transfer of shares.
  - III ∙ Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
  - IV ∙ Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
    - 1. Buying and selling domestic bonds.
    - 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
    - 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
    - 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, the transaction amount does not exceed NT\$500 million.
    - 5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount not exceed NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
    - 6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction not exceed NT\$500 million.
  - V ∙ The amount of transactions above shall be calculated as follows:
    - 1. The amount of any individual transaction.
    - 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
    - 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and

disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

VI · Paragraph 1, subparagraph 5, "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

VII · Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

VIII · If there are errors or omissions in the announcement of the items that should be announced and should be corrected, the company should re-announce and declare all the items. When company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety of knowing of such error.

IX · Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

X · Where any of the following circumstances occurs with respect to a transaction that company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.

2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

3. Change to the originally publicly announced and reported information.

#### 6.15. Subsidiary related regulations

I · Subsidiaries subject to this procedure shall also formulate procedures for the acquisition or disposal of assets in accordance with the regulations. After being approved by the board of directors, it shall be submitted to the shareholders' meeting of the subsidiary, and the same shall be said for amendments.

II · Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company.

III · Subsidiaries referred to in the preceding paragraph shall be subject to the requirements of the reporting standards specified in Paragraph 1 of the preceding article regarding the amount of 20% of the paid-in capital or 10% of the total assets, which shall be subject to the company's paid-in capital or total assets.

6.16. If the relevant personnel of the company violate the standards for the handling of assets acquired or disposed of by public companies issued by the Securities and Futures Bureau or this handling procedure, they will be regularly submitted for assessment in accordance with the company's personnel management measures and work rules, and punished according to the severity of the circumstances.

6.17. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

If there are any matters not covered in this procedure, please follow the relevant laws and regulations.

6.18. This acquisition or disposal of assets management procedures was established on May 19, 2014.

The first revision was approved by the Board of Directors on 21 December 2015.

The second revision was approved by the board of directors on March 26, 2019.

7.Reference:None.

8.Application Form : None.

9. Announcement

This operating procedure is approved by the board of directors, sent to each supervisor or audit committee, and submitted to the shareholders' meeting for approval before implementation.

If a director expresses dissent and there is a record or written statement, the company shall submit the dissent to each supervisor or audit committee and submit it to the shareholders' meeting for discussion, and the same is true for amendments. The Company shall fully consider the opinions of each independent director when submitting the operation method to the board of directors for discussion in accordance with the provisions of the preceding paragraph. Any dissenting opinions or reservations of independent directors shall be stated in the minutes of the board meeting.

Board approval date: May 19,2014.

Shareholders' meeting approval date : June 23,2014.

Board approval date (first revision): December 21,2015.

Shareholders' meeting approval date (first revision): June14,2016.

Board approval date (second revision): March 26,2019.

Shareholders' meeting approval date (second revision): June 20,2019.

## Appendix 5: Shareholdings of All Directors

### ASolid Technology Co., Ltd.

#### Shareholdings of All Directors

Unit: Shares

Title	Name	Shareholdings as of April 23, 2022	
		Current Shareholding	%
Chairman	Kevin Liu	2,282,022	5.19%
Director	Andy Yen	540,268	1.23%
Director	Jeremy Lin	801,270	1.82%
Independent Director	Victor Tsan	-	-
Independent Director	Toshiba Cheng	-	-
Independent Director	Emily Wu	-	-
Total		3,623,560	8.24%

Note :

1. All directors of the company are legally required to hold 3,600,000 shares.
2. The company has set up an audit committee, so the number of shares that supervisors should hold is not applicable