



**MOSPEC  
SEMICONDUCTOR CORP.**

# Handbook for the 2024 Annual Meeting of Shareholders

Meeting Date and Time : 9:00 a.m. on Wednesday, June 12th, 2024

Meeting Place : No. 76, Gangqian Village, Zhongshan Road, Xinshi District, Tainan City, Taiwan (At the 1st Floor of MOSPEC's Welfare Center)

Type of Meeting:Physical Meeting

# MOSPEC SEMICONDUCTOR CORP.

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# MOSPEC SEMICONDUCTOR CORP.

## 2024 Agenda of Annual Meeting of Shareholders

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Meeting Date and Time: 9:00 a.m. on Wednesday, June 12th, 2024

Meeting Place: No. 76, Gangqian Village, Zhongshan Road, Xinshi District, Tainan City, Taiwan (At the 1st Floor of MOSPEC's Welfare Center)

1. Report the Number of Shares Present and Call the Meeting to Order
2. Chairperson Remarks
3. Reports on Company Affairs
  - Report No. 1: 2023 Business Report
  - Report No. 2: Audit Committee's Review Report on the 2023 Financial Statements
  - Report No. 3: 2023 Directors' Remuneration Report
4. Proposals
  - Proposal No. 1: 2023 Business Report and Financial Statements
  - Proposal No. 2: 2023 Deficit Compensation
5. Election Matters
  - Proposal No. 1: Comprehensive Board and Independent Director Election
6. Other Matters
  - Proposal No. 1: Resolution to Lift Non-competition Restrictions for Newly Appointed Directors and their Representatives
7. Questions and Motions
8. Adjournment

## Reports on Company Affairs

**Report No. 1** : Proposed by the Board of Directors.

Examination in 2023 Business Report.

**Explanation** : The 2023 Business Report is attached as p.6-13, <Attachment I.>

**Report No. 2** : Proposed by the Board of Directors.

Examination in Audit Committee's Review Report on the 2023 Financial Statements.

**Explanation** : The Audit Committee's Review Report is attached as p.14, <Attachment II.>

**Report No. 3** : Proposed by the Board of Directors.

Examination in 2023 Directors' Remuneration Report.

**Explanation** : 1. The Directors and Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent are specified as follows:

(1) According to MOSPEC's Articles of Incorporation, the Board of Directors is authorized to determine the salary for the Chairman and Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

(2) The Articles of Incorporation also provide that the remuneration to directors shall be no more than 2% of annual profits. The director's remuneration has not been paid since the Company is still operating in deficit.

2. The Directors' Remuneration is attached as p.15, <Attachment III.>

## Proposals

**Proposal No. 1** : Proposed by the Board of Directors.

Adoption of the Proposal for 2023 Business Report and Financial Statements.

**Explanation** : 1.The MOSPEC's 2023 Business Report and Financial Statements, including Parent Company Only Financial Statements and Consolidated Financial Statements, were audited by independent auditors, Fang Wen Li and Wan Ru Qiu of Ernst & Young Taiwan in proof of their presenting the

Independent Auditors' Report. Also the aforementioned Business Report, Parent Company Only Financial Statements, and Consolidated Financial Statements were reviewed by audit committee in proof of their presenting the Audit Committee's Review Report.

2. The aforementioned reports and statements are attached as p.6-14 and p.16-29, <Attachment I, II and IV.>
3. The proposal is submitted deliberately for ratification.

**Resolution :**

**Proposal No. 2 :** Proposed by the Board of Directors.

Adoption of the Proposal for 2023 Deficit Compensation.

- Explanation :**
1. Proposal to offset the losses of 2023 by allocating NT\$91,840,773 from the capital surplus to offset the accumulated losses of NT\$91,840,773 at the end of 2023, resulting in an accumulated loss of NT\$0, as approved by the 18th meeting of the 13th board of directors, with no dividend distribution.
  2. The 2023 Deficit Compensation Statement is attached as p.30, <Attachment V.>
  3. The proposal is submitted deliberately for ratification.

**Resolution :**

## **Election Matters**

**Proposal No. 1 :** Proposed by the Board of Directors.

Resolution for Comprehensive Board and Independent Director Election, Requesting Election.

- Explanation :**
1. The term of the 13th board of directors of the Company will expire on July 6, 2024. Election proceedings will take place at this shareholders' meeting for re-election purposes, after which the incumbent directors will step down.
  2. For this upcoming election, the proposal is to have the shareholders' meeting elect seven directors, including three independent directors. The term of office for the directors elected in this election will be from June 12, 2024 to June 11, 2027.
  3. The Company's board of directors is appointed through a candidate nomination system, with directors and independent

directors being elected separately based on their respective quotas from the list of director candidates presented at the shareholders' meeting.

- 4.The List of Director Candidates Nominated by the Board of Directors is attached as p.31-32 <Attachment VI.>
- 5.Procedures for Election of Directors is attached as p.48-49 <Appendix III.>
6. The proposal is submitted deliberately for ratification.

### **Voting Results:**

## **Other Matters**

**Proposal No. 1** : Proposed by the Board of Directors.

Resolution to Detailed list of lifting of non-competition restrictions for new directors

**Explanation** : 1. According to Article 209 of the Company Act , it indicates “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.The Company's newly appointed directors and their representatives may engage in investments or operations involving other companies within the same or similar business scope as the Company, and may also serve as directors or managers. This request aligns with the Company's operational necessities and ensures that no harm is inflicted upon the Company's interests. As a result, shareholders are urged to approve the resolution to lift non-competition restrictions for these directors and their representatives. The Detailed Table of Lifting of Non-competition Restriction is attached as p.33 < Attachment VII>

**Resolution** :

## **Questions and Motions**

## **Adjournment**

# I.2023 Business Report

## 1、Operating results for FY 2023

### (1) Result of Business Plan

In 2023, operating revenue decreased by 32% compared to 2021. This was mainly due to the company's business strategy adjustment and overall weakness in the semiconductor market. However, net loss after tax increased compared to the previous year, mainly due to decline in revenue and increase in raw material prices affecting gross profit. The table below shows operating performance for the current year and is compared to the previous year.

(2) Budget Execution : As the financial forecast for the current year has not been disclosed, there is no need to disclose the budget execution status.

### (3) Financial Revenue and Expenditure and Profitability Analysis

#### 1. Financial Revenue and Expenditure

Units : NT\$ thousand

Items	2023	2022	Changes
Operating Revenue	63,079	91,870	(28,791)
Operating net loss	(49,716)	(72,668)	(22,952)
Net loss before tax	(36,309)	(34,955)	(1,354)

#### 2. Profitability

Item	2023	2022
Return on assets	-4.81%	-4.96%
Return on equity	-7.53%	-6.78%
Ratio of operating profit (loss) to paid-up capital	-13.44%	-19.64%
Ratio of net profit (loss) before tax to paid-up capital	-9.81%	-9.45%
Net loss ratio	-57.56%	-38.05%
Net loss per share(NT\$)	(0.98)	(0.94)

### (4) Research and Development

The company continuously invests in research and development

according to market applications, focusing on the development and optimization of product manufacturing technology. The company's overall R&D planning and outlay aim to create products with higher added value. In recent years, the company has developed several competitive products to meet market demands, with the goal of expanding its sales performance.

Results of research and development in 2023 :

- 1.The development of MOSFET products with Splitgate structure has been completed in the Power MOSFET product line, and customer sampling has been done.
- 2.The R&D of power transistors for Power Amplifier pairing have been completed, and such products have been sold to customers.
- 3.The setup and trial production of automatic assembly lines for packaging such as SMB/SMA, 6L, and SMF have been completed for SMD products.

R&D in 2024 :

- 1.Continue to research and develop the Power MOSFET(30V~200V) products with Splitgate structure to meet customers' higher requirements
- 2.Concerning new materials (Wide band gap), continue to research and develop SiC/GaN applied products (SiC SBD 600V).
- 3.Improve the quality and performance of SMD packaging production lines

## 2、Summary of Business Plan in 2024

### (1) Operating principle

Benefiting from the remote technology opportunities and the growth in terminal application market demand brought about by the pandemic, the semiconductor industry reached an all-time high in prosperity in 2021. However, with the lifting of pandemic restrictions and the impact of geopolitical conflicts on inflation, the semiconductor market experienced a downturn in 2022, leading to a severe decline in the company's revenue and performance. Faced with the dilemma of global semiconductor supply and demand imbalance and the industry demand of emerging application markets, the company has decided to adjust its business strategy and transform its production and sales to strengthen market competitiveness. The following are the company's proposed management policies in response to this environment and market situation:

1.Establishing an automated production line to increase productivity and competitiveness

To cope with market competition, an automated high-density power component production line will be established to increase productivity, optimize quality, reduce costs, and expand product application.

2.Establishing raw material supply chain cooperation and risk management

Signing supply agreements with raw material suppliers based on market conditions for price and service, diversifying and mitigating supply risks. Responding proactively to changes in the market and adjusting the supply to eliminate order losses caused by shortages based on sales layout and customer application requirements.

3.Overall consideration of the poor semiconductor market conditions to decrease operating expenses

To cope with the weak economy that has led to a decline in revenue and reserved operating capital, strict control of expenses will be implemented to achieve the effect of cost-saving.

4.To respond to global market changes, we plan to lay out our marketing strategies

In response to the changing dynamics of the global market, we plan to develop a marketing strategy for our products and promote their applications based on the changes in the domestic market in Taiwan, the mainland China market, and the overseas export market. We will establish a comprehensive Quality, Cost, and Delivery marketing system to meet the requirements of end-market customers.

(2) Expected market and sales quantity and their basis.

Our company is mainly engaged in the manufacturing and sales of transistors and diodes. Based on customer feedback and future market trends, we have set the following sales targets for our main products for the year 2024 as below :

Products	2024 Quantity Estimate	2023 Actual Quantity
Diode	12,800KPCS	10,300KPCS
Transistor	2,150KPCS	1,799KPCS

1.Diode :

As the market layout, we plans to gradually enter the mobile device, automotive, and medical fields, by focusing on consumer electronics. Currently, the main sales force is the Diode category of products, with Schottky Diodes and FREDs being the main electrical categories. The product packages lean towards the power domain, with TO-3P/S and TO-220/ITO-220 as the main packages, and a high-density SMD automated production line has

been completed. After mass production, it is expected to expand the operational capacity.

## 2. Transistor :

We will promote the use of transistor products that are used for amplification, switching, and signal modulation functions and have relatively higher added value. Bipolar junction transistors (BJTs) and metal-oxide-semiconductor field-effect transistors (MOSFETs) will be the main focus.

### (3) Important Production and Marketing Policies :

#### 1. Production :

A. In terms of Device DC Chart, besides the current main products Schottky Diode and FRED, the developed MOSFET, TVS, and GPP Diode will gradually increase production capacity as orders are placed.

B. In terms of Device Package, besides the TO-3P/S、TO-220/ITO-220 series at the stage, the automated production line for new SMD has sent samples for certification.

#### 2. Sales :

A. Understand the product demand trends and applications of end customers in the market, as a basis for production preparation

B. Understand the changes in product usage among distributors and end customers, analyze the reasons for the changes, and propose corresponding strategies.

C. Accelerate the promotion of new SMD packaging products and ITO-200 thinned packaging products with heat dissipation performance.

### 3. Future Development Strategy :

Looking ahead to the future, in the short term, the Taiwanese semiconductor industry is facing a downturn in demand due to the lifting of pandemic restrictions and geopolitical conflicts. It is expected to hit bottom in the first half of the year before showing signs of a rebound. In the long term, Taiwan is facing competition from China's semiconductor overcapacity and supply, and we must not only actively improve our process technology differentiation advantages but also combine with upstream and downstream industry cooperation systems to strengthen our competitive ability in the industry. The short-term and long-term strategy based on the situation are as below :

- (1) Adjust production layout from market sales structure: Re-layout and adjust cross-strait production structure in response to the impact of regional trade disputes on sales and capacity in mainland China.
- (2) Devote to developing diversified international markets: Avoid over-reliance caused by concentration of sales markets in the face of global industrial chain restructuring and the rise of China's red supply chain.
- (3) Establish and strengthen core technological capabilities: Expand operational performance through the development of niche products with more diverse and complete process equipment and technology.
- (4) Continuously expand the economic scale of operations: Rapidly mass-produce and maintain high product yields through flexible production management and optimized production schedules to meet the diverse needs of customers and expand revenue in real-time.
- (5) Provide customers with high-quality integrated solutions: Ensure customer product applications through research and development investment and organizational adjustments with a technology platform-oriented organizational structure.
- (6) Continuously invest capital in automation equipment to actively expand R&D for new products: Promote automated production and lean production control to reduce production costs and meet the development of niche new products.

#### 4. Affected by external competitive environment, regulatory environment, and overall business environment.

##### (1) The external competitive environment

Despite the recent boost in production activity due to the transfer of orders and production capacity resulting from US-China trade tensions, the semiconductor industry in Taiwan still faces increasing competition and threats from global industry restructuring. Unfair trade and industry policies supporting China's domestic semiconductor industry have persisted, and competition and cooperation between Taiwan and mainland China in the global semiconductor industry will continue to evolve. Taiwanese companies must realize that the key to withstanding external competition and maintaining a competitive edge in the industry lies in establishing and accumulating research and development capabilities, and further developing the capital scale of the industry.

In the past, many companies have relied heavily on cost-reducing mass production and outsourcing to achieve impressive results. However, with global semiconductor industry restructuring, especially with the rise

of China's semiconductor "red supply chain," this business model has gradually lost its development space. It is necessary to accelerate thinking of transforming to an innovation-based business model in order to create more new opportunities for development.

Due to high participation of Taiwanese companies in the global semiconductor supply chain and the close economic and trade relationship between the two sides of the Taiwan Strait, the trade war between the US and China will directly impact production bases in mainland China and enterprises that manufacture products primarily for export to the US market. In the face of a changing external competitive environment, these companies must adjust their production capacity layout or focus on developing diversified international markets to avoid over-reliance on a single sales market. More importantly, they must also commit to enterprise transformation and upgrading in order to adapt to the changing circumstances.

## (2) Regulatory Environment

In recent years, under the impact of global climate change and extreme weather events, natural disasters may have different levels of impact on the normal operation of the semiconductor industry. Governments around the world have implemented environmental regulations and actively promoted environmental protection and strengthened zero-carbon emissions. To cope with the environmental regulatory requirements faced by the semiconductor industry, our company actively pays attention to and invests in related actions to establish a complete ESG strategy to address sustainability issues such as climate change, energy saving, and carbon reduction. The introduction of ESG concepts into the semiconductor industry, and even the promotion of carbon neutrality, will become another important development focus of the semiconductor industry in our country

The implementation of the EU Restriction of Hazardous Substances (RoHS) directive has not had a significant impact on the company as most of our products are excluded under the EU exemptions. However, in order to fulfill our social responsibility and meet global environmental quality requirements, the company will continue to strive towards green and energy-efficient goals.

## (3) Overall Business Environment

Continuing the impact on the overall semiconductor industry in the second half of 2022, the global semiconductor market in 2023 will face geopolitical conflicts leading to economic uncertainty and high inflation causing increased operating costs, resulting in a continued economic recession. Looking at the second half of 2023, the semiconductor industry will have to wait for the cycle to recover, but the issue remains whether the global economic situation can hit bottom and rebound, especially with the strength of quarterly recovery, and whether the overall semiconductor industry can temporarily resolve inventory issues.

Looking at the various application areas of the semiconductor industry, the consumer electronics area had started to reduce inventory earlier, so there is a chance that they will approach the end of this adjustment process the fastest, and customer orders can be expected to recover in the second half of 2023. As for PC products, after experiencing remote business opportunities brought about by the pandemic, PC demand was overdrawn in advance, resulting in a deeper drop in shipments and a slower recovery momentum. As for smartphones, it mainly depends on weak demand in the overall Chinese, European and American markets, and it is only in the second half of the year that we may gradually see turnaround.

According to market analysis, it is generally believed that the semiconductor industry may not completely shake off the current downturn and return to a growth trend until the beginning of the fourth quarter of 2023. Overall, the semiconductor industry's slowdown in 2023 is evident and different from the widespread trend of price and quantity increase in different semiconductor products and application fields from 2020 to the first half year of 2022. However, Taiwan's semiconductor industry's position in global supply is still solid, with wafer foundry and packaging and testing areas as areas where Taiwanese manufacturers can excel. These areas are also driving forces for the mid-to long-term growth of Taiwan's semiconductor industry market scale.

To cope with the uncertainty of the overall semiconductor industry, supply chain changes, and the opening up of the Mainland China due to zero-COVID policy, the company has decided to adjust and transform its production and sales strategies. We plan to strengthen our advanced semiconductor packaging and testing production line through technology and equipment investments to withstand the impact of economic

and product competition. In other words, we aim to fight market competition with capital expenditure on technology and automation while reducing operating expenses to achieve operational optimization and innovative business expansion to counter economic impact. Looking ahead, in addition to actively improving technological leadership and combining application-side ecosystem, the company believes that we can maintain our industry competitive edge and contribute to the company's growth. We firmly believe that we can provide shareholders with the most competitive and cost-effective investment targets in the near future.

Chairman :  
Weng Shu Zhen

General Manager :  
Tarnng Bennet Yun

Accounting Manager :  
Yen Yung Sen



## MOSPEC SEMICONDUCTOR CORP. Audit Committee Review Report

The board of directors has prepared the business report, financial statements (including individual and consolidated financial statements), and deficit compensation statements for the company's fiscal year 2023. The financial statements (including individual and consolidated financial statements) have been audited by Ernst & Young Certified Public Accountants, including accountants Li Fang Wen and Chiou Wan Ru, who have issued an audit report. After review by our audit committee, there are no discrepancies found. Therefore, in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we report and request for your verification.

Sincerely,

Shareholding's meeting for the fiscal year 2024

MOSPEC SEMICONDUCTOR CORP.

Convener of the Audit Committee: Hou Rong Xian

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2024 03, 07

## MOSPEC SEMICONDUCTOR CORP.

## 2023 Directors' Remuneration

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (note10)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (note10)		Remuneration from ventures other than subsidiaries or from the parent company (note11)
		Base Compensation (A) (note2)		Pension (B)		Directors' remuneration (C) (note3)		Business execution expense(D) (note4)				Salary, Bonuses, and Allowances (E) (note 5)		pension (F)		Employee Compensation (G) (note6)				The company	Companies in the financial statements (note7)	
		The company	Companies in the financial statements (note7)	The company	Companies in the financial statements (note7)	The company	Companies in the financial statements (note7)	The company	Companies in the financial statements (note7)	The company	Companies in the financial statements (note7)	The company	Companies in the financial statements (note7)	The company	Companies in the financial statements (note7)	The company	Companies in the financial statements (note7)	The company				
																		cash	stock	cash	stock	
Chairman	Weng Shu Zhen	960,000	960,000	0	0	0	0	42,000	42,000	1,002,000 (2.76%)	1,002,000 (2.76%)	0	0	0	0	0	0	0	0	1,002,000 (2.76%)	1,002,000 (2.76%)	None
Director (GM)	Tarnng Bennet Yun	0	0	0	0	0	0	0	0	0	0	960,000	960,000	0	0	0	0	0	0	960,000 (2.64%)	960,000 (2.64%)	None
Director	Chu Ya Chi	0	0	0	0	0	0	42,000	42,000	42,000 (0.12%)	42,000 (0.12%)	0	0	0	0	0	0	0	0	42,000 (0.12%)	42,000 (0.12%)	None
Director	Hsieh Pi Lien	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director (Independent Director)	Hou Rong Xian	120,000	120,000	0	0	0	0	42,000	42,000	162,000 (0.45%)	162,000 (0.45%)	0	0	0	0	0	0	0	0	162,000 (0.45%)	162,000 (0.45%)	None
Director (Independent Director)	Wu Chiu Mei	120,000	120,000	0	0	0	0	42,000	42,000	162,000 (0.45%)	162,000 (0.45%)	0	0	0	0	0	0	0	0	162,000 (0.45%)	162,000 (0.45%)	None
Director (Independent Director)	Chen Jan Zhong	70,000	70,000	0	0	0	0	12,000	12,000	82,000 (0.23%)	82,000 (0.23%)	0	0	0	0	0	0	0	0	82,000 (0.23%)	82,000 (0.23%)	None

1. Please state the policy, system, standards, and structure of independent director remuneration, and explain the relationship between the remuneration amount and the responsibilities, risks, and time input involved:

The Company has three independent directors, and a Remuneration Committee and an Audit Committee composed of all independent directors, whose remuneration is determined in accordance with the Company's "Rules Governing the Remuneration of Directors and Managers". The Company pays a fixed monthly salary to the independent directors, and the independent directors are not entitled to the distribution of the Company's earnings. The Company's directors and independent directors are only entitled to fixed remuneration such as salaries, travel expenses and attendance fees, and their fixed remuneration is not performance-related.

2. In addition to the above disclosures, the remuneration received by directors for services provided in the most recent year (such as serving as a consultant for the parent company, all companies within the financial report, or non-employee advisors for investment businesses): None.

## Independent Auditors' Report

The Board of Directors and Shareholders  
Mospec Semiconductor Corp.

### Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards(IFRS), International Accounting Standards(IAS), IFRIC Interpretations(IFRIC), and SIC Interpretations(SIC) endorsed and issued into effort by the Financial Supervisory Commission of the ROC.

### Basis for Opinion

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

### Key Audit Matters

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

We have identified the following key audit matters to be communicated in the audit report:

#### Inventory Evaluation

As of December 31, 2023, the net inventory value of Mospec Semiconductor Corporation and its subsidiaries amounted to NT\$ 7,084,000, accounting for 1% of the total consolidated assets. The aforementioned inventory is measured at the lower of cost or net realizable value, involving significant accounting estimates and judgments by management. Given the material impact of inventory carrying values on the overall consolidated financial statements, we have deemed this a key audit matter.

Our audit procedures include (but are not limited to) assessing the appropriateness of inventory valuation accounting policies; conducting physical observations of inventory counts to confirm the quantity and condition of inventory; testing the accuracy of inventory aging and analyzing the appropriateness of allowances for slow-moving and obsolete inventory; evaluating management's analysis and assessment of slow-moving and obsolete inventory, including the possibility of inventory realization and the estimation of net realizable value; and testing the adequacy of the allowance amounts for reducing inventory value to net realizable value. We also considered the appropriateness of inventory disclosures in Notes 5 and 6 of the consolidated financial statements.

## Revenue Recognition

Mospec Semiconductor Corporation and its subsidiaries primarily derive their revenue from the manufacturing and sale of diode and transistor products. Due to the need for judgment in determining performance obligations and their fulfillment timing based on the content of orders and customary business practices, we have deemed this a key audit matter

Our audit procedures include (but are not limited to) assessing the appropriateness of revenue recognition accounting policies, understanding and testing the effectiveness of management's internal controls established for revenue recognition; performing analytical procedures on gross profit margins; selecting samples for transaction detail testing and reviewing significant terms and conditions in contracts; conducting cut-off testing and subsequent reviews to ensure that revenue is recognized in the correct period. Additionally, we also considered the appropriateness of operation revenue disclosures in Notes 4 and 6 of the financial statements.

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

Management's responsibility is to prepare consolidated financial statements that fairly present the financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the ROC, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express the 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters of the Group that were of most significance in the audit of the consolidated financial statements of the fiscal year 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matter**

We have also audited the parent company only financial statements of Mospec Semiconductor Corporation and its subsidiaries as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

For and on behalf of Ernst & Young Global Limited, Taiwan  
The competent authority approves the public issuance of the  
company's financial report

Approved-certified No.:Jin-Guan-Certificate No. 1010045851  
No.:Jin-Guan-Certificate No. 1040030902

Li Fang Wen

Accountant:

Chiou Wan Ru

March 7, 2024

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Mospec Semiconductor Corporation and Subsidiaries  
CONSOLIDATED BALANCE SHEETS  
As of December 31, 2023 and 2022

Unit: NT\$: thousands

ASSETS			December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY			December 31, 2023		December 31, 2022	
Code	Account Item	Note	Amount	%	Amount	%	Code	Account Item	Note	Amount	%	Amount	%
	<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>					
1100	Cash and cash equivalents	4 and 6.1	\$27,268	4	\$17,605	2	2100	Short-term loans	6.10	\$85,260	13	\$85,264	12
1110	Financial assets at fair value through profit or loss	4 and 6.2	51,661	8	52,084	8	2130	Contract Liabilities - Current		124	0	-	0
1150	Notes receivable, net	4 and 6.3, 16	1,437	0	115	0	2170	Accounts payable		2,812	1	3,622	1
1170	Accounts receivable, net	4 and 6.4, 16	16,068	3	18,913	3	2200	Other accounts payable		7,979	1	11,429	2
1200	Other accounts receivable, net	7	857	0	1,061	0	2322	Current portion of long-term liabilities	4 and 6.11	8,600	1	4,014	1
1220	Current tax assets		289	0	81	0	2360	Net defined benefit liability	4 and 6.12	1,016	0	1,069	0
130x	Inventories	4 and 6.5	7,084	1	25,572	4	2399	Other current liabilities		105	0	374	0
1476	Other current financial assets	8	55,269	9	55,278	8	21xx	Total current liabilities		105,896	16	105,772	16
1479	Other current assets	4 and 6.6	6,739	1	40,064	6							
11xx	Total current assets		166,672	26	210,773	31		<b>NON-CURRENT LIABILITIES</b>					
	<b>NON-CURRENT ASSETS</b>						2540	Long-term loans	6.11 and 7	28,100	5	15,875	2
1600	Property, plant and equipment	4 and 6.7	417,500	64	373,749	55	2550	Non-current provisions	4 and 6.13	6,601	1	10,411	1
1755	Right-of-use assets	4 and 6.17	3,172	0	3,300	0	2570	Deferred tax liabilities	4 and 6.21	46,212	7	46,212	7
1840	Deferred income tax assets	4 and 6.21	3,410	1	3,410	1	25xx	Total non-current liabilities		80,913	13	72,498	10
1900	Other non-current assets	6.9 and 8	59,388	9	87,636	13	2xxx	Total liabilities		186,809	29	178,270	26
15xx	Total non-current assets		483,470	74	468,095	69		<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>					
							3100	Capital stock	6.14				
							3110	Capital - common stock		370,000	57	370,000	55
							3200	Capital surplus	6.14	193,260	29	193,260	28
							3300	Retained earnings	6.14	-	-	-	-
							3350	Accumulated deficit		(91,841)	(14)	(55,532)	(8)
								Total retained earnings		(91,841)	(14)	(55,532)	(8)
							3400	Other equity interest		(8,086)	(1)	(7,130)	(1)
							31xx	Total equity attributable to owners of parent		463,333	71	500,598	74
							3xxx	Total equity		463,333	71	500,598	74
1xxx	Total assets		\$650,142	100	\$678,868	100		Total liabilities and equity		650,142	100	678,868	100

Please refer to the Notes in the consolidated financial statements

Chairman: Weng Shu Zhen

Manager: Tarn Bennet Yun

Accounting Executive: Yan Yong Sen

## Mospec Semiconductor Corporation and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

Unit: NT\$: thousands

Code	Accounting Item	Note	2023		2022	
			Amount	%	Amount	%
4000	OPERATING REVENUE	4 and 6.15	\$63,079	100	\$91,870	100
5000	OPERATING COSTS	4 and 6.18	(58,189)	(92)	(104,722)	(114)
5900	GROSS PROFIT FROM OPERATIONS		4,890	8	(12,852)	(14)
6000	OPERATING EXPENSES					
6100	Selling expenses		(9,830)	(16)	(11,396)	(12)
6200	Administrative expenses		(36,851)	(58)	(43,385)	(47)
6300	Research and development expenses		(7,934)	(13)	(5,098)	(6)
6450	Expected credit loss (gain)	4 and 6.16	9	0	63	0
	Total operating expenses	4 and 6.5	(54,606)	(87)	(59,816)	(65)
6900	Net operating income (loss)		(49,716)	(79)	(72,668)	(79)
7000	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income	4 and 6.19	2,950	5	1,059	1
7010	Other income	4 and 6.19	5,881	9	5,840	6
7020	Other gains and losses	4 and 6.19	9,992	16	33,223	36
7050	Finance costs	4 and 6.19 and 7	(5,416)	(9)	(2,409)	(2)
	Total non-operating income and expenses		13,407	21	37,713	41
7900	Profit (loss) before tax		(36,309)	(58)	(34,955)	(38)
7950	Tax income	4 and 6.21	-	-	-	0
8200	Profit (loss)		(36,309)	(58)	(34,955)	(38)
8300	Other comprehensive income	4 and 6.20				
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(956)	(1)	5,156	6
	Other comprehensive income(loss), net		(956)	(1)	5,156	6
8500	Total comprehensive income		\$(37,265)	(59)	\$(29,799)	(32)
8600	NET INCOME ATTRIBUTABLE TO:					
8610	Shareholders of the parent	4 and 6.21	\$(36,309)	(58)	\$(34,955)	(38)
8700	COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
8710	Shareholders of the parent		\$(37,265)	(59)	\$(29,799)	(32)
	EARNINGS PER SHARE (NT\$)					
9750	Basic earnings per share	4 and 6.22	\$(0.98)		\$(0.94)	

Please refer to the Notes in the consolidated financial statements

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Mospec Semiconductor Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the years ended December 31, 2023 and 2022

Unit: NT\$: thousands

Code	Item	Equity Attributable to Shareholders of the Parent					Total Equity
		Capital - Common Stock	Capital Surplus	Retained Earnings	Others		
				Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements		
		3110	3200	3350	3410	3xxx	
A1	BALANCE, JANUARY 1, 2022	\$370,000	\$193,260	\$(20,577)	\$(12,286)	\$530,397	
D1	Net income (loss)	–	–	(34,955)	–	(34,955)	
D3	Net comprehensive income (loss)	–	–	–	5,156	5,156	
D5	Total comprehensive income (loss)	–	–	(34,955)	5,156	(29,799)	
Z1	BALANCE, DECEMBER 31, 2022	\$370,000	\$193,260	\$(55,532)	\$(7,130)	\$500,598	
A1	BALANCE, JANUARY 1, 2023	\$370,000	\$193,260	\$(55,532)	\$(7,130)	\$500,598	
D1	Net income (loss)	–	–	(36,309)	–	(36,309)	
D3	Net comprehensive income (loss)	–	–	–	(956)	(956)	
D5	Total comprehensive income (loss)	–	–	(36,309)	(956)	(37,265)	
Z1	BALANCE, DECEMBER 31, 2023	\$370,000	\$193,260	\$(91,841)	\$(8,086)	\$463,333	

Please refer to the Notes in the consolidated financial statements

Chairman: Weng Shu Zhen

Manager: Tarng Bennet Yun

Accounting Executive: Yan Yong Sen

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Mospec Semiconductor Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2023 and 2022  
Amounts in NT\$ thousands Unless otherwise specified

Unit: NT\$: thousands

Code	Item	2023	2022	Code	Item	2023	2022
		Amount	Amount			Amount	Amount
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES			BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
A10000	Net income before tax	\$(36,309)	\$(34,955)	B02700	Acquisition of property, plant and equipment	-	(1,735)
A20000	Adjustments:			B02800	Proceeds from disposal of property, plant and equipment	20,089	-
A20010	Adjustments to reconcile profit (loss):			B03800	Decrease in refundable deposits	-	17
A20100	Depreciation expense	21,334	22,161	B06500	Increase in other financial assets	-	(55,278)
A20200	Amortization expense	-	693	B06600	Decrease in other financial assets	9	-
A20300	Expected credit loss (gain)	(9)	(63)	B07100	Increase in prepayments for business facilities	(10,601)	(52,330)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	423	(45,288)	B07200	Decrease in prepayments for business facilities	1,242	-
A20900	Interest expense	5,416	2,409	BBBB	Net cash flows from (used in) investing activities	10,739	(109,326)
A21200	Interest income	(2,950)	(1,059)	CCCC	CASH FLOWS FROM FINANCING ACTIVITIES		
A22500	Loss (gain) on disposal of property, plan and equipment	(19,231)	4,037	C00100	Increase in short-term loans	60,000	-
A29900	Loss (gain) from price recovery of inventory	(3,029)	18,961	C00200	Decrease in short-term loans	(60,000)	57,179
A29900	Others	-	1,600	C01600	Proceeds from long-term loans	23,240	20,840
A20010	Total reconcile profit (loss)	1,954	3,451	C01700	Repayment of long-term loans	(6,429)	(951)
A30000	Changes in operating assets and liabilities			C03700	Increase in Other Payable - Related Parties	20,000	-
A31000	Changes in operating assets			C03800	Decrease in Other Payable - Related Parties	(20,000)	-
A31130	Decrease (increase) in notes receivable	(1,322)	1,387	CCCC	Net cash flows from financing activities	16,811	77,068
A31150	Decrease in accounts receivable	2,856	7,625	DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND	1,000	3,661
A31180	Decrease (increase) in other receivable	308	4,557	EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	9,663	(80,555)
A31200	Increase (decrease) in inventories	21,938	(12,862)	E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,605	98,160
A31240	Decrease (increase) in other current assets	2,734	2,068	E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	\$27,268	\$17,605
A32000	Changes in operating liabilities						
A32125	Increase in contract liabilities	124	-				
A32150	Decrease in accounts payable	(810)	(10,969)				
A32180	Increase (decrease) in other payable	(3,668)	(6,676)				
A32200	Decrease in provisions	(3,810)	(4,509)				
A32230	Increase (decrease) in other current liabilities	(269)	(200)				
A32240	Increase (decrease) in net defined benefit liability	(53)	59				
A30000	Total changes in operating assets and liabilities	18,028	(19,520)				
A33000	Cash inflow (outflow) generated from operations	(16,327)	(51,024)				
A33100	Interest received	2,927	962				
A33300	Interest paid	(5,198)	(1,815)				
A33500	Income taxes paid	(289)	(81)				
AAAA	Net cash flows from (used in) operating activities	(18,887)	(51,958)				

Please refer to the Notes in the consolidated financial statements

Chairman: Weng Shu Zhen

Manager: Tarn Bennet Yun

Accounting Executive: Yan Yong Sen

# Independent Auditors' Report

The Board of Directors and Shareholders  
Mospec Semiconductor Corp.

## Opinion

We have audited the accompanying parent company only financial statements of Mospec Semiconductor Corporation and its subsidiaries (the "Company"), which comprise the parent company only balance sheets as of the December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

## Basis for Opinion

We conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our reports. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC and we are fulfilled our other ethical responsibilities in accordance with these requirements. We believed 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have identified the following key audit matters to be communicated in the audit report:

### Inventory Evaluation

As of December 31, 2023, the net inventory of Mospec Semiconductor Corporation was NT\$5,904,000, accounting for 1% of the total assets. The above-mentioned inventory is measured at the lower of cost or net realizable value and involves significant accounting estimates and judgments by management. The book value of inventory is considered material to the parent company only financial statements, and therefore, we have determined it as a key audit matter.

Our procedures include (but are not limited to) evaluating the appropriateness of the inventory valuation accounting policy; observing inventory counting on site to confirm the quantity and condition of the inventory; testing the accuracy of inventory aging and analyzing the appropriateness of the provision for slow-moving and obsolete inventory; evaluating the analysis and assessment made by management regarding slow-moving and obsolete inventory, including the possibility of inventory realization and the estimation of net realizable value; and testing whether the provision for inventory write-down to net realizable value is appropriate. We also consider the appropriateness of inventory disclosure in Notes 5 and 6 of the consolidated financial statements.

## Revenue Recognition

Mospec Semiconductor Corporation and its subsidiaries primarily derive their revenue from the manufacturing and sale of diode and transistor products. Due to the need for judgment in determining performance obligations and their fulfillment timing based on the content of orders and customary business practices, we have deemed this a key audit matter.

The auditor's procedures include (but are not limited to) evaluating the appropriateness of revenue recognition accounting policies, understanding and testing the effectiveness of the internal control established by management for revenue recognition; performing analytical procedures on gross profit margin; selecting samples to perform transaction detail testing and reviewing significant terms and conditions in contracts; performing cut-off testing and subsequent review to confirm that revenue is recognized in the correct period. In addition, we also consider the appropriateness of disclosure related to operation revenue in Note 4 and Note 6 of the financial statements.

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

Management's responsibility is to prepare the parent company only financial statements that fairly present the financial position 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For and on behalf of Ernst & Young Global Limited, Taiwan  
The competent authority approves the public issuance of the  
company's financial report  
Approved-certified No.:Jin-Guan-Certificate No. 1010045851  
No.:Jin-Guan-Certificate No. 1040030902

Li Fang Wen

Accountant:

Chiou Wan Ru

March 7, 2024

**Mospec Semiconductor Corporation**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
 As of December 31, 2023 and 2022

Unit: NT\$: thousands

ASSETS			December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY			December 31, 2023		December 31, 2022	
Code	Accounting Item	Note	Amount	%	Amount	%	Code	Accounting Item	Note	Amount	%	Amount	%
	<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>					
1100	Cash and cash equivalents	4 and 6.1	\$15,878	3	\$13,542	2	2100	Short-term loans	6.10	\$30,000	5	\$30,000	5
1110	Financial assets at fair value through profit or loss	4 and 6.2	51,661	9	52,084	8	2130	Contract Liabilities - Current		31	0	-	-
1150	Notes receivable, net	4 and 6.3, 16	25	0	10	0	2170	Accounts payable		-	-	54	0
1170	Accounts receivable, net	4 and 6.4, 16	4,555	1	4,072	1	2220	Other accounts payable		3,964	1	7,175	1
1200	Other accounts receivable	7	201	0	97	0	2322	Current portion of longterm liabilities	4 and 6.11	8,600	1	4,014	1
1210	Other receivables from related parties	7	54,079	9	52,423	9	2360	Net defined benefit liability	4 and 6.12	1,016	0	1,069	0
1220	Current tax assets		289	0	81	0	2399	Other current liabilities		105	0	373	0
130x	Inventories	4 and 6.5 and 8	5,904	1	6,733	1	21xx	Total current liabilities		43,716	7	42,685	7
1476	Other current financial assets	8	55,269	9	55,278	9							
1479	Other current assets	4	3,548	1	3,660	1		<b>NON-CURRENT LIABILITIES</b>					
11xx	Total current assets		191,409	33	187,980	31	2540	Long-term loans	4 and 6.11 and 7	28,100	5	15,875	3
	<b>NON-CURRENT ASSETS</b>						2550	Non-current provisions	4 and 6.13	6,601	1	10,411	2
1550	Investments accounted for using equity method	4 and 6.6	73,731	13	98,403	16	2570	Deferred tax liabilities	4 and 6.21	46,212	8	46,212	7
1600	Property, plant and equipment	4 and 6.7 and 7	306,978	52	282,769	46	25xx	Total non-current liabilities		80,913	14	72,498	12
1840	Deferred income tax assets	4 and 6.21	3,410	0	3,410	0	2xxx	Total liabilities		124,629	21	115,183	19
1900	Other non-current assets	6.9 and 8	12,434	2	43,219	7							
15xx	Total non-current assets		396,553	67	427,801	69		<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>					
							3100	Capital stock	6.14				
							3110	Capital - common stock		370,000	63	370,000	60
							3200	Capital surplus	6.14	193,260	33	193,260	31
							3300	Retained earnings	6.14				
							3350	Accumulated deficit		(91,841)	(16)	(55,532)	(9)
								Total retained earnings		(91,841)	(16)	(55,532)	(9)
							3400	Other equity interest		(8,086)	(1)	(7,130)	(1)
							3xxx	Total equity		463,333	79	500,598	81
1xxx	Total assets		\$587,962	100	\$615,781	100		Total liabilities and equity		\$587,962	100	\$615,781	100

Please refer to the Notes in the consolidated financial statements

Chairman: Weng Shu Zhen

Manager: Tarn Bennet Yun

Accounting Executive: Yan Yong Sen

## Mospec Semiconductor Corporation

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

Unit: NT\$: thousands

Code	Accounting Item	Note	2023		2022	
			Amount	%	Amount	%
4000	OPERATING REVENUE	4 and 6.15 and 7	\$30,696	100	\$47,651	100
5000	OPERATING COSTS	4 and 6.18 and 7	(24,323)	(79)	(43,915)	(92)
5900	GROSS PROFIT FROM OPERATIONS		6,373	21	3,736	8
5910	Unrealized gain (loss) from sale		(5,795)	(19)	(6,113)	(13)
5920	Realized gain (loss) from sale		6,113	20	6,465	14
5950	Gross profit (loss) from operations		6,691	22	4,088	9
6000	OPERATING EXPENSES	4 and 6.18				
6100	Selling expenses		(4,919)	(16)	(6,079)	(13)
6200	Administrative expenses		(25,184)	(82)	(29,496)	(62)
6300	Research and development expenses	4	(7,934)	(26)	(5,099)	(11)
6450	Expected credit loss (gain)	4 and 6.16	(4)	0	46	0
	Total operating expenses		(38,041)	(124)	(40,628)	(86)
6900	Net operating income (loss)		(31,350)	(102)	(36,540)	(77)
7000	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income	6.19	2,941	10	1,046	2
7010	Other income	6.19	3,190	10	3,452	7
7020	Other gains and losses	6.19	14,413	47	48,375	102
7050	Finance costs	6.19 and 7	(1,469)	(5)	(729)	(2)
7070	Share of profits of subsidiaries and associates for using equity method	4 and 6.6	(24,034)	(78)	(50,559)	(106)
	Total non-operating income and expenses		(4,959)	(16)	1,585	3
7900	PROFIT(LOSS) BEFORE TAX		(36,309)	(118)	(34,955)	(74)
7950	Tax income	6.21	-	-	-	-
8000	Profit (loss) from continuing operations		(36,309)	(118)	(34,955)	(74)
8200	Profit (loss)		(36,309)	(118)	(34,955)	(74)
8300	Other comprehensive income	6.20				
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(956)	(3)	5,156	11
	Other comprehensive income(loss), net		(956)	(3)	5,156	11
8500	Total comprehensive income		\$(37,265)	(121)	\$(29,799)	(63)
	EARNINGS PER SHARE (NT\$)					
9750	Basic earnings per share	4 and 6.22	\$(0.98)		\$(0.94)	

Please refer to the Notes in the consolidated financial statements

Chairman: Weng Shu Zhen

Manager: Tarn Bennet Yun

Accounting Executive: Yan Yong Sen

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

**Mospec Semiconductor Corporation**

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

Unit: NT\$: thousands

Code	Item	Capital - Common Stock 3110	Capital Surplus 3200	Retained Earnings 3350	Others 3410	Total Equity 3xxx
				Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	
A1	BALANCE, JANUARY 1, 2022	\$370,000	\$193,260	\$(20,577)	\$(12,286)	\$530,397
D1	Net income (loss)	–	–	(34,955)	–	(34,955)
D3	Net comprehensive income (loss)	–	–	–	5,156	5,156
D5	Total comprehensive income (loss)	–	–	(34,955)	5,156	(29,799)
Z1	BALANCE, DECEMBER 31, 2022	<u>\$370,000</u>	<u>\$193,260</u>	<u>\$(55,532)</u>	<u>\$(7,130)</u>	<u>\$500,598</u>
A1	BALANCE, JANUARY 1, 2023	\$370,000	\$193,260	\$(55,532)	\$(7,130)	\$500,598
D1	Net income (loss)	–	–	(36,309)	–	(36,309)
D3	Net comprehensive income (loss)	–	–	–	(956)	(956)
D5	Total comprehensive income (loss)	–	–	(36,309)	(956)	(37,265)
Z1	BALANCE, DECEMBER 31, 2023	<u>\$370,000</u>	<u>\$193,260</u>	<u>\$(91,841)</u>	<u>\$(8,086)</u>	<u>\$463,333</u>

Please refer to the Notes in the consolidated financial statements

Chairman: Weng Shu Zhen

Manager: Tarng Bennet Yun

Accounting Executive: Yan Yong Sen

**Mospec Semiconductor Corporation**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2023 and 2022

Unit: NT\$: thousands

Code	Item	2023	2022	Code	Item	2023	2022
		Amount	Amount			Amount	Amount
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES			BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
A10000	Net income before tax	\$(36,309)	\$(34,955)	B02800	Proceeds from disposal of property, plant and equipment	20,024	-
A20000	Adjustments:			B06500	Increase in other financial assets	-	(55,278)
A20010	Adjustments to reconcile profit (loss)			B06600	Decrease in other financial assets	9	-
A20100	Depreciation expense	12,313	12,333	B07100	Increase in prepayments for business facilities	(6,423)	(24,665)
A20200	Amortization expense	-	693	B07200	Decrease in prepayments for business facilities	48	-
A20300	Expected credit loss (gain)	4	(46)	BBBB	Net cash flows used in investing activities	13,658	(79,943)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	423	(45,288)				
A22500	Loss (gain) on disposal of property, plan and equipment	(19,386)	-	CCCC	CASH FLOWS FROM INVESTING ACTIVITIES		
A20900	Interest expense	1,469	729	C00100	Increase in short-term loans	60,000	30,000
A21200	Interest income	(2,941)	(1,046)	C00200	Decrease in short-term loans	(60,000)	-
A22300	Share of Losses of Subsidiaries Accounted for Using the Equity Method	24,034	50,559	C01600	Proceeds from long-term loans	23,256	20,840
A23900	Unrealized gain (loss) from sale	5,795	6,113	C01700	Repayment of long-term loans	(6,445)	(951)
A24000	Realized gain (loss) from sale	(6,113)	(6,465)	C03700	Increase in Other Payable - Related Parties	20,000	-
A29900	Loss (gain) from price recovery of inventory	(2,664)	2,117	C03800	Decrease in Other Payable - Related Parties	(20,000)	-
A20010	Total reconcile profit (loss)	12,934	19,699	CCCC	Net cash flows from financing activities	16,811	49,889
A30000	Changes in operating assets and liabilities			EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	2,336	(76,405)
A31000	Changes in operating assets			E00100	Cash and cash equivalents at beginning of period	13,542	89,947
A31130	Decrease (increase) in notes receivable	(15)	157	E00200	Cash and cash equivalents at end of period	\$15,878	\$13,542
A31150	Decrease in accounts receivable	(487)	5,650				
A31160	Receivables from related parties	-	19,809				
A31180	Other receivables	(104)	5,365				
A31190	Other receivables from related parties	(1,656)	(52,423)				
A31200	Increase (decrease) in inventories	3,493	210				
A31240	Other current assets	112	(2,371)				
A32000	Changes in operating liabilities						
A32125	Increase in contract liabilities	31	-				
A32150	Decrease in accounts payable	(54)	(1,612)				
A32160	Decrease accounts payable to related parties	-	(4,246)				
A32180	Increase in other payable	(3,225)	2,754				
A32200	Decrease in provisions	(3,810)	(4,509)				
A32230	Adjustments for increase (decrease) in other current liabilities	(268)	(201)				
A32240	Increase (decrease) in net defined benefit liability	(53)	59				
A30000	Total changes in operating assets and liabilities	(6,036)	(31,358)				
A33000	Cash inflow (outflow) generated from operations	(29,411)	(46,614)				
A33100	Interest received	2,941	1,046				
A33300	Interest paid	(1,455)	(702)				
A33500	Income taxes paid	(208)	(81)				
AAAA	Net cash flows used in operating activities	(28,133)	(46,351)				

Please refer to the Notes in the consolidated financial statements

**MOSPEC SEMICONDUCTOR CORP.**  
**2023 Deficit Compensation Statement**

<u>Items</u>	<u>Unit: NTD\$</u>
Deficit yet to be compensated - on January 1st, 2023	(\$55,531,859)
2023 net loss	(36,308,914)
Deficit yet to be compensated - on December 31st, 2023	(91,840,773)
Offsetting losses with capital surplus	91,840,773
Deficit yet to be compensated - on December 31st, 2023 (After Allocation)	\$0

Chairman:  
Weng Shu Zhen

General Manager:  
Tarnng Bennet Yun

Accounting Manager:  
Yen Yung Sen

## MOSPEC SEMICONDUCTOR CORP.

## List of Director Candidates Nominated by the Board of Directors

Category	Name	Education (experience) and current position	Number of Shares Held (Unit: Shares)	Name of the Represented Government or Legal Entity	Remark
Director	Weng Shu Zhen	Educational qualifications : Bachelor of Accounting in Chinese Culture University experience : Senior manager in E.SUN SECURITIES CO. , LTD ° PGIM Current position : Legal agent chairman of MOSPEC SEMICONDUCTOR CORP. Corporate representative of H&M SEMICONDUCTOR (SICHUAN)LTD	8,735,109	Ding Hong International Investment CO., Ltd	None
Director	Lin Xin ying	Educational qualifications : Master's degree from Columbia University experience : Senior engineer in TSMC Current position : None	2,320,579	MingPei Investment CO., Ltd	None
Director	Tarnng Bennet Yun	Educational qualifications : Master of Electronics Engineering in University of Illinois experience : Chief engineer in TSMC Engineer in Lucent Technologies, Inc. Current position : General manager of MOSPEC SEMICONDUCTOR CORP. Director representative of new NHM (BVI) HOLDINGS LTD.	286,116	-	None
Director	Chu Ya Chi	Educational qualifications : Bachlor of Statistics in National Cheng Kung University experience : Supervisorof MILDEX OPTICAL INC Supervisorof Jih Lin Technology Co., Ltd Current position : Manager of finance department in Jih Li Technology Co., Ltd	8,735,109	Ding Hong International Investment CO., Ltd	None
Independent Director	Hou Rong Xian	Educational qualifications : Master of Accounting in National Cheng Kung University experience : Chief of KH office in Ernst & Young Global Limited Part-time Lecturee in Natioal Chung Hsing University Current position : In charge of Hou, Jung-Hsien accounting firm. In charge of Family Tree Co., Ltd. Jia Wei Lifestyle, Inc. corporate director representative. E&R Engineering Corporation corporate director representative. TYC BROTHER INDUSTRIAL CO., LTD. Independent director, United Fiber Optic Communication Inc. independent director. KY-Jiyuan Packaging Holdings Limited indeoendent director.	0	-	None

Independent Director	Chen Jan Zhong	Educational qualifications : Department of Agricultural Economics, NTU. experience : President of E.SUN Bank (China) Co., Ltd. Current position : SysJust Co., Ltd. corporate director representative. Dimerco Data System Corporation independent director. Chunghwa Telecom Co., Ltd. Independent director.	0	-	None
Independent Director	Wu Chiu Mei	Educational qualifications : Master of Accounting in Yuan Ze University experience : Assistant manager in Deloitte Audit manager in E-Ton Solar Tech. Current position : In charge of Wu Chiu Mei Accounting firm	0	-	None

## Detailed Table of Lifting of Non-competition Restriction

No.	Category	Name	Concurrent Position in Other Company
1	Director	Ding Hong International Investment CO., Ltd corporate representative : Weng Shu Zhen	Corporate representative of H&M SEMICONDUCTOR (SICHUAN)LTD
2	Director	Tarnng Bennet Yun	Director representative of new NHM (BVI) HOLDINGS LTD.
3	Director	Ding Hong International Investment CO., Ltd corporate representative: Chu Ya Chi	Manager of finance department in Jih Li Technology Co., Ltd
4	Independent Director	Hou Rong Xian	In charge of Hou, Jung-Hsien accounting firm. In charge of Family Tree Co., Ltd. Jia Wei Lifestyle, Inc. corporate director representative. E&R Engineering Corporation corporate director representative. TYC BROTHER INDUSTRIAL CO., LTD. Independent director, United Fiber Optic Communication Inc. independent director. KY-Jiyuan Packaging Holdings Limited indeoendent director.
5	Independent Director	Chen Jan Zhong	SysJust Co., Ltd. corporate director representative. Dimerco Data System Corporation independent director. Chunghwa Telecom Co., Ltd. Independent director.
6	Independent Director	Wu Chiu Mei	In charge of Wu Chiu Mei Accounting firm



# MOSPEC SEMICONDUCTOR CORP.

## Articles of Incorporation

### **Chapter I General Provisions**

- Article 1 The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be MOSPEC SEMICONDUCTOR CORP in the Chinese language, and MOSPEC SEMICONDUCTOR CORP. in the English language.
- Article 2 The scope of business of the Company shall be as follows:
1. CC01080 Electronic Parts and Components Manufacturing
  2. CC01110 Computer and Peripheral Equipment Manufacturing
  3. F401010 International Trade
  4. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 When the Company invests in the shareholders of limited liability in other companies, it is authorized by the resolution of the Board of Directors that the total amount of its investments is not subject to the provisions of Article 13 of the Company Act indicating “the total amount of its investments in such other companies shall not exceed forty percent of the amount of its own paid-up capital .”
- Article 2-2 When the Company handles endorsements and guarantees on account of business needs, the provisions of Operating Procedures of Endorsement / Guarantees of the Company shall be followed.
- Article 3 The Company is located in Tainan City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices or factories in other locations when deemed necessary, the same principle of which applies when it is revoked or transferred.
- Article 4 Public announcements of the Company shall be made according to Article 28 of the Company Act.

### **Chapter 2 Capital Stock**

- Article 5 The total capital stock of the Company shall be in the amount of 1,800,000,000 New Taiwan Dollars, divided into 180,000,000 shares, at ten New Taiwan Dollars each share issued by the Company, and may be paid-up in installments and issued by the Board of Directors as authorized.
- Article 6 The share certificates of the Company shall be in registered form and be affixed with the signatures or personal seals of the director representing the company, as well as being duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. The Company may offer its respective shares to the public without printing share certificate(s), which is issued without entity but shall be registered through contacting Taiwan Depository & Clearing
- Article 7 The Company's stock affairs are handled in accordance with relevant laws and regulations of the competent authority.

Article 8 Deleted.

Article 9 Deleted.

Article 10 Deleted.

Article 11 Deleted.

Article 12 Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

### **Chapter 3 Shareholders' Meeting**

Article 13 Shareholders' meetings of the Company are of two kinds, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened once a year within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.

A notice to convene a shareholders' meeting may be given by means of electronic transmission after obtaining a prior consent from the recipient(s) thereof. The registered stock shareholders whose shareholding is less than one thousand shares may be effected by means of a public notice for the aforementioned shareholders' meetings.

Article 14 Deleted.

Article 15 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares during the meeting with the shareholders present who represent more than one-half of the total number of issued shares. When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority vote of those present who represent more than one-half of the total number of voting shares. A notice of such tentative resolution shall be given to each of the shareholders, and a shareholders' meeting shall be reconvened within one month. In the aforesaid meeting of shareholders, the tentative resolution at the meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares during the meeting with the shareholders present

Article 16 Except in the circumstances set forth in Article 179 of the Company Act, a shareholder of the Company shall have one voting power in respect of each share in his/her/its possession. Unless otherwise provided for in the relevant laws and regulations, a meeting of shareholders shall proceed only if attended by shareholders representing more than one-half of the total outstanding capital stock of the Company. Resolutions of a shareholders' meeting shall be made at the meeting with the concurrence of a majority of the votes held by the shareholders present at the meeting.

- Article 17 If a shareholder is unable personally to attend a shareholders' meeting, he/she may appoint a representative to attend it, and to exercise, on his/her behalf, all rights at the meeting by executing a power of attorney printed and stating therein the scope of power authorized to the representative in accordance with Article 177 of the Company Law.
- Article 18 The Chairman of the Board of Directors shall be the chairman presiding at the shareholders' meeting when the meeting is convened by the Board of Directors. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, a delegate shall be appointed in compliance with Article 208, Paragraph 3 of the Company Act. Whereas for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 19 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of a shareholders' meeting may be effected by means of electronic transmission. The distribution of the minutes of a shareholders' meeting, with regard to a company offering its shares to the public, may be effected by means of a public notice. The minutes of a shareholders' meeting shall record the date, place of the meeting, the name of the chairman, the method of adopting resolutions, a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept permanently throughout the life of the company. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the representatives shall be kept by the company for a minimum period of at least one year unless otherwise provided for in the Company Act.

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

- Article 20 The Company shall have five to nine Directors to be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of three years. All Directors shall be eligible for re-election. The aforesaid Board of Directors must have at least three independent directors, the number of which has at least one-fifth of the total number of the directors. Non-independent directors and independent directors of the Company shall be elected by adopting candidates nomination system. Professional qualifications, shareholding, part-time job restrictions, nomination and election methods, and other matters to be followed for independent directors shall comply with the relevant regulations of the securities competent authority to proceed. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately.

In compliance with the Securities and Exchange Law, the Company shall establish an Audit Committee, which shall consist of all independent directors. The number of members of the audit committee, terms of service, authority of office, rules of procedure, etc. shall be stipulated in the regulations in compliance with the Rules of the Audit Committee's Exercise of Powers issued by the Company to the public, and separately formulated it as the organizational regulations of the audit committee to be followed.

- Article 21 The powers and functions of the Board of Directors are in accordance with the provisions of the Company Act and relevant laws and regulations.
- Article 22 The Board of Directors consists of the Directors. The Directors shall elect from among themselves as a Chairman of the Board of Directors, agreed by a majority vote of the Directors in a meeting attended by over two-thirds of the total number of the Directors.
- Article 23 In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each Director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. A notice sent to all the Directors in calling a meeting of the Board of Directors can be by the ways in writing, email or fax.
- Article 24 The Chairman of the Board of Directors shall preside over the shareholders' meeting. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the appointment of the proxy thereof shall comply with the provisions of Article 208 of the Company Act.
- Article 25 Unless otherwise provided for in the Company Act and in the chapters of this document, resolutions of the Board of Directors shall be adopted by a majority of the Directors at a meeting attended by a majority of all the Directors. When a Director cannot attend a meeting in person for some reason, he/she must issue a written power of attorney each time, list the reasons for the convening and the scope of authorization, and authorize other Director on his/her behalf to attend the meeting. Minutes shall be taken of the proceedings of the meeting of the Board of Directors. No Director may act as proxy for more than one other Director.
- Article 26 Deleted.
- Article 27 Deleted.
- Article 28 The Board of Directors is authorized to determine the salary for the Directors of the Company, taking into account the extent and value of the services provided for the management of the Company and the average standards of the same industry.

Article 29 The Company may have one or more managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act.

The Chairman of the Board of Directors determines the salary for the managerial officers, taking into account the extent and value of the services provided for the management of the Company. After being submitted to the Remuneration Committee for deliberation, it will be submitted to the Board of Directors for a resolution.

Article 30 During the term of service of the Directors, the Company shall purchase liability insurance for the compensation that should be borne in the scope of their business execution according to the laws and regulations.

### **Chapter 5 Accounting**

Article 31 The fiscal year for the Company shall be from January 1st to December 31st of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the shareholders' meeting for acceptance according to the regulations:

1. Business Report;
2. Financial Statements;
3. Proposal Concerning the Distribution of Earnings or Covering of Losses.

Article 32 1. If there is profit at the end of each fiscal year, a ratio not less than 1% of profits of the current year distributable as employees' remuneration shall be appropriated. A resolution given by the Board of Directors shall determine earnings of the Company may be distributed by the way of stock dividend and/or cash dividend. The Company can increase the amount of profits, and no more than 2% of annual profits as directors' remuneration should be allocated by the resolution of the board of directors. Allocation of employees' remuneration and directors' remuneration shall be reported in shareholders' meetings. However, the Company's accumulated losses shall have been covered first, and then distributed by the aforementioned ratios of profits as employees' remuneration and directors' remuneration.

2. After closing of accounts, if there is earnings, the Company shall first pay the tax, make up the losses for the preceding years and then set aside a legal capital reserve at 10% of the remaining earnings provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Company, then set aside or turn a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. After the dividends are distributed, the remaining profit combined with the accumulated earnings undistributed yet shall be distributed as shareholders' dividends upon subject to the resolution of the shareholders' meeting, through the proposal for allocating remaining earnings proposed by the Board of Directors. The distribution of the shareholders' dividends in the preceding sentence may be distributed in cash, determined by the Board of Directors authorized by the

resolution adopted by a majority of the Directors present at the meeting attended by more than two-thirds of all the Directors, which shall be reported in shareholders' meetings.

Dividend policy of the Company is based on current and future development plans, consideration of the investment environment, capital needs, and domestic and international competition, as well as consideration of shareholders' interests and other factors. No less than 50% of the distributable remaining profits every year is allocated as dividends and bonus to be distributed to shareholders. Dividends can be distributed to shareholders by the ways in cash and/or stocks, of which cash dividends are not less than 50% of the total dividends.

Article 33 The internally organizational regulations and the detailed procedures of operation of the Company shall be determined by the resolution of the Board of Directors.

Article 34 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and the laws and regulations thereof shall govern.

Article 35 These Articles of Incorporation are agreed to and signed on February 20th, 1987.

The first Amendment was approved on September 18th, 1987.

The second Amendment was approved on April 7th, 1988.

The third Amendment was approved on April 30th, 1988.

The fourth Amendment was approved on January 4th, 1989.

The fifth Amendment was approved on August 1st, 1989.

The sixth Amendment was approved on September 11th, 1989.

The seventh Amendment was approved on May 28th, 1991.

The eighth Amendment was approved on November 21st, 1991.

The ninth Amendment was approved on April 11th, 1992.

The tenth Amendment was approved on January 31st, 1997.

The eleventh Amendment was approved on May 28th, 1998.

The twelfth Amendment was approved on June 17th, 2000.

The thirteenth Amendment was approved on June 7th, 2001.

The fourteenth Amendment was approved on June 27th, 2002.

The fifteenth Amendment was approved on June 26th, 2003.

The sixteenth Amendment was approved on June 26th, 2006.

The seventeenth Amendment was approved on January 23rd, 2009.

The eighteenth Amendment was approved on June 19th, 2009.

The nineteenth Amendment was approved on June 23rd, 2010.

The twentieth Amendment was approved on June 28th, 2011.

The twenty-first Amendment was approved on June 28th, 2012.

The twenty-second Amendment was approved on June 28th, 2013.

The twenty-third Amendment was approved on June 26th, 2014.

The twenty-fourth Amendment was approved on June 26th, 2015.

The twenty-fifth Amendment was approved on June 24th, 2016.

The twenty-sixth Amendment was approved on June 29th, 2020.

The twenty-seventh Amendment was approved on July 7th, 2021.

The twenty-eighth Amendment was approved on June 15th, 2022.



## MOSPEC SEMICONDUCTOR CORP. Rules of Procedure for Shareholders Meetings

Article 1 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2 Unless otherwise provided by law or regulation, this Company's shareholders meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days prior to the date of a regular shareholders meeting or before 15 days prior to the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days prior to the date of the regular shareholders meeting or before 15 days prior to the date of the special shareholders meeting. In addition, before 15 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, as well as being distributed on-site at the meeting.

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

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal in writing for discussion

at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, when a shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, the Board of Directors shall still include it in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the meeting agenda.

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

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

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

Article 3 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

Article 4 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 5 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

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

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

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

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

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

Article 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, one of the directors shall be appointed to act as chair. When the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the 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 attended by a majority of the directors. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the

meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting.

Article 7 The Company, 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

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

Article 9 If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

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

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

After the meeting is adjourned, shareholders are not allowed to elect another chairman to continue the meeting at the original address or other place.

Article 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.

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.

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

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

Article 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 the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

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

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

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Case-by-case voting is adopted, and the

chairman may decide to vote on various proposals (including elections) in divided or one-off ways. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote.

When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

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

Article 13 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

Article 14 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

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

Article 15 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 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 the Company, the chair may prevent the shareholder from so doing.

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

Article 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 five days in accordance with Article 182 of the Company Act.

Article 18 These Rules are agreed to and signed on February 20th, 1987.

The first Amendment was approved on July 27th, 1998.

The second Amendment was approved on June 27th, 2002.

The third Amendment was approved on June 28th, 2012.

The fourth Amendment was approved on June 28th, 2013.

The fifth Amendment was approved on June 26th, 2015.

The sixth Amendment was approved on June 29th, 2020.

The seventh Amendment was approved on July 7th, 2021.

The eighth Amendment was approved on June 15th, 2022.



# MOSPEC SEMICONDUCTOR CORP.

## Procedures for Election of Directors

- Article 1 Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2 The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
  2. Accounting and financial analysis ability.
  3. Business management ability.
  4. Crisis management ability.
  5. Knowledge of the industry.
  6. An international market perspective.
  7. Leadership ability.
  8. Decision-making ability.
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 3 Deleted.
- Article 4 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 5 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 6 The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10 Deleted.
- Article 11 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
  2. A blank ballot is placed in the ballot box.
  3. The writing is unclear and indecipherable or has been altered.
  4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
  5. Other words or marks are entered in addition to the number of voting rights allotted.
- Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 13 The Board of Directors of the Company shall issue notifications to the persons elected as directors.
- Article 14 These Procedures are agreed to and signed on June 26th, 2015.  
The first Amendment was approved on July 7th, 2021.

## MOSPEC SEMICONDUCTOR CORP.

### Shareholdings of All Directors

1. The Company's paid-in capital is NT\$370,000,000, and the total number of issued shares is 37,000,000 shares.
2. The numbers of shares held by the directors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date for that regular meeting of shareholders are shown on the following table:

The minimum number of shares required to be held by the entire bodies of directors is 3,600,000 shares. The current number of shares held by all directors (excluding independent directors) is 13,482,606 shares.

Record Date : April 14th, 2024

Title	Name	Appointment Date	Term	Shares on Closure Date	Remark
Chairman	DING HONG International Investment Company Legal Rep.: Weng Shu Zhen	July 7th, 2021	3 Years	8,735,109 0	
Director	Hsieh Pi Lien	July 7th, 2021	3 Years	2,140,802	
Director	Tarng Bennet Yun	July 7th, 2021	3 Years	286,116	
Director	MING PEI Investment Company Legal Rep.: Chu Ya Chi	July 7th, 2021	3 Years	2,320,579 0	
Independent Director	Hou Rong Xian	July 7th, 2021	3 Years	0	
Independent Director	Wu Chiu Mei	July 7th, 2021	3 Years	0	
Independent Director	Chen Jan Zhong	June 13th, 2023	3 Years	0	

#### Other Notes:

1. The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate: Not applicable.
2. Relevant information for employees' remuneration and directors' remuneration: Not applicable.
3. The Company's 2024 financial forecast has not been disclosed, so it is not needed to disclose the 2024 financial forecast information.
4. Explanations for handling shareholders' proposals in the regular meeting of shareholders: The Company's regular meeting of shareholders this year accepts applications for shareholders' proposals from April 6th, 2024 to April 16th, 2024, and the Company has not received any shareholders' proposals.