

Stock Code: 8084



Chip Hope Co., Ltd

# **2023 Annual Shareholders' Meeting Meeting Handbook**

Physical shareholders' meeting

May 30, 2023

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

New Taipei City

(Far East Century Plaza Phase II Building L  
Management Committee Meeting Room)

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Chip Hope Co., Ltd  
2023 Annual Shareholders' Meeting Agenda

Time: 9 AM May 30 (Tuesday), 2023

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

Chairman: Yueh-Ching Cheng

Meeting Agenda:

- I. Meeting Called to Order
- II. Chairperson's opening remarks
- III. Status Report
  - Report I: 2022 Business Report
  - Report II: 2022 Audit Committee's Review Report
- IV. Matters for Ratification
  - Case I: 2022 Annual Accounting Final Reports
  - Case II: 2022 Deficit Appropriation
- V. Matters for Discussion
  - Proposal I: Amendments to "Articles of Incorporation"
- VI. Election Matters
  - By-election of one independent director
- VII. Extempore Motions
- VIII. Meeting Adjourned

I. Status Report:

Case I

Subject: Please review 2022 Business Report.

Explanation: Please refer to Appendix I on page 4-5 of the handbook for 2022 business report.

Case II

Subject: Please review 2022 Audit Committee's Review Report.

Explanation: Please refer to Appendix II on page 7 of the handbook for 2022 audit committee's review report.

II. Matters for Ratification:

Case I: (Proposed by the Board of Directors)

Subject: Please ratify 2022 Financial Statements.

Explanation:

1. The 2022 business report, parent company only financial statements, consolidated financial statements, and deficit appropriation have been resolved by the Audit Committee and Board of Directors.
2. The Company's 2022 Financial Statements have been audited by RSM CPA I-Tung Wan and Chien-Ling Chang. The CPAs have issued audit report for the financial statements.
3. Please refer to Appendix 1 on page 4-5 and Appendix 3 on page 8-29 of the handbook for the above-mentioned business report, independent auditors' report, parent company only financial statements, and consolidated financial statements.

Resolution:

Case II: (Proposed by the Board of Directors)

Subject: Please ratify 2022 Deficit Appropriation

Explanation:

1. The Company's net profit after tax in 2022 is NT\$57,406,116. Accumulated loss is NT\$274,404,331. The Company will not distribute dividend for this year.
2. Please refer to Appendix 4 on page 30 of the handbook for 2022 deficit appropriation.

Resolution:

III. Matters for Discussion

Case I: (Proposed by the Board of Directors)

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

Explanation:

1. The Company plans to develop software for sale and download and thus plans to add new business items.
2. Please refer to Appendix 5 on page 31 of the handbook for the comparison table of amendments to "Articles of Incorporation".

Resolution:

IV. Election Matters:

Subject: By-elect one Independent Director.

Explanation:

1. The former director Kun-Hsien Hsiao retired and resigned. The Company proposed to by-elect one independent director in this annual shareholders' meeting.
2. The new independent director will take office immediately after the annual shareholders' meeting. The tenure will end until the end of the term of the directors on August 17, 2024.
3. The candidate list of independent directors has been reviewed and approved by the Board of Directors on March 29, 2023. The related information is stated below:

Name	Major education background	Major experience	Current position	Shares held
Nan-Hung Chiang	Master in Manufacturing Engineering, Bradley University, USA	President of DYNA IMAGE Corporation Vice President of Capella Microsystems Inc	Capital Partner of JC CAPITAL	0

4. Please elect

V. Extempore Motions:

VI. Meeting Adjourned

Chip Hope Co., Ltd  
2022 Business Report

I. 2022 Business Results

(I) The implementation results of the business plan

The Company's operating revenue in 2022 is NT\$1,159,106 thousand, which increased NT\$307,233 thousand comparing to NT\$851,873 thousand in 2021. The net profit before tax is NT\$61,015 thousand, which increased NT\$125,414 thousand comparing to net loss NT\$64,399 thousand in 2021.

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

The "memory IC and ASIC" are mainly sold to Hong Kong and south east China. With the alleviation of pandemic in 2022 and the opened border in China, the operating revenue increased 17.16% in 2022 comparing to last year.

In terms of "Food and beverage", due to alleviation of pandemic and restriction of dining in has been removed, customers started to come back. The operating revenue in 2022 has increased 42.59% comparing to last year. The profit margin is around 47%.

Revenue for medical related products has increased NT\$96,029 thousand comparing to last year. The profit margin is around 48%.

The sales amount of the above products have increased comparing to 2021. The overall profit margin increased to 16%.

(II) Status of research and development

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

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

For the manufacturing and sales of "medical devices", a higher occurrence of hearing loss in younger age group has become more due to the high reliance on 3C products, which means more people need help in hearing. As a result, the Company actively invested in technology upgrades to ensure the low distortion and quality of sound in different environments by improving signal processing speed and noise reduction functions, improve the auditory compensation of users and the hearing quality of voice signals, and

improve the comfort and experience of users during wearing. The Company also designs products such as air conduction hearing aid and Bone anchored hearing aid so as to satisfy the different needs of the users and offer a variety of choices to the hearing impaired.

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

## II. Outline of the 2022 Business Plan

### (I) Operating Policies

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

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

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

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

### (II) Important Production and Sales Strategies

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

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

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

### III. Future Development Strategies

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

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

In the second half of 2022, the country's domestic market began to release due to the increasingly loosening of border restrictions and the release of domestic demand. In 2023, we face multiple challenges in risks such as the continuance of international inflation and interest rate hike pressure, Russia-Ukraine war, the economic slowdown in China, the rise of US-China technology disputes, the increasing impact of climate change, increased risk in price cutting competition, and the import/export/consumption restrictions brought by local governments or the environment. We have to continuously enhance product diversity, launch new products, promote online platform, and enhance after-sales services in order to stabilize existing customers and attract attention from new customers.

Chairman:  
Yuan-Ching Cheng

President:  
Yi-Chang Liu

Chief Accounting Officer:  
Dong-Feng Peng



## Audit Committee Review Report

The Board of Directors has prepared and submitted the 2022 business report, financial statements, and deficit appropriation report, of which the financial statements have been audited by RSM CPA I-Tung Wan and Chien-Ling Chang, and an audit report have been issued. These have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is submitted for shareholder's examination.

Chip Hope Co., Ltd

Audit Committee convener:, Ching-Feng Tsai

March 29, 2023

## Independent Auditors' Report

Chip Hope Co., Ltd.,

### Audit Opinion

We have audited the accompanying parent company only financial statements of Chip Hope Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, 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 (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2022. 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.

The key audit matters identified in the audit of the parent company only financial statements of the Company for the year ended December 31, 2022 are as follows:

#### Allowance for doubtful accounts receivable

The accounting policies with respect to accounts receivable are discussed in Note 4(11) financial instruments to the parent company only financial statements. For details, please refer to Note 6(2) notes receivable, accounts receivable, other receivables, and overdue receivables.

Description of key audit matters:

As of December 31, 2022, the Company's accounts receivable (excluding those from subsidiaries) amounted to NT\$227,090,000, accounting for 30% of the total assets in the parent company only financial statements. The estimated impairment of the accounts receivable of the Company relates to the judgment that the amounts may not be recovered. The management, in accordance with International Financial Reporting Standards (IFRS) 9, recognized the loss on allowance for accounts receivable based on expected credit loss from continuing operations. The above estimation involves the management's subjective judgment and credit risk assumptions. Therefore, the estimated impairment of accounts receivable from the Company is included as one of the key audit matters for the year.

The audit procedures are summarized as follows:

We tested and assessed whether management's policy on the allowance for doubtful accounts receivable was reasonable; we tested the aging of accounts receivable balances and verified whether management's allowance for doubtful accounts was correct; and we assessed the post-period recovery of accounts receivable to see if the allowance for doubtful accounts was adequate.

#### Revenue recognition

The accounting policies with respect to revenue recognition are discussed in Note 4(12) revenue recognition to the parent company only financial statements. For details, please refer to Note 6(15) operating income to the parent company only financial statements.

Description of key audit matters:

Revenue is recognized under individual sales contracts when control of the merchandise is transferred. Because the Company enters into different trading terms with individual customers, whether to identify the transfer of control of merchandise based on the trading terms of individual sales targets and recognize revenue accordingly has a significant impact on the financial statements' reliability. As a result, it is listed as a key audit matter.

The audit procedures performed by us are summarized as follows:

We sought to understand the accounting policies adopted by the Company for revenue recognition and compared them with the terms of sales to assess whether the policies adopted were appropriate; we sampled internal controls and individual revenue transactions related to revenue recognition and verified relevant customer orders, shipping certificates, and collection documents; and we sampled sales transactions before and after the reporting date and reviewed relevant documents to assess whether the revenue recognition periods were appropriate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of the 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 also responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company

## **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 auditing standards of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if individual or aggregate amount of misstatements 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 auditing standards of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We have also performed the following tasks:

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 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 parent company only 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 provided the governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China to remain neutral and also communicated with them about all relations and other matters (including related preventive measures) that could affect the independence of certified public accountants.

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, 2022 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.

RSM Taiwan

Document number approved by the competent authorities:

Jin-Guan-Cheng-Shen-Zi No. 1050028831

Jin-Guan-Cheng-Shen-Zi No. 1070305454

Certified public accountant: I-Tung Wan

Certified public accountant: Chien-Ling Chang

March 29, 2023

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Chip Hope Co., Ltd.  
Parent Company Only Balance Sheets  
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Assets		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note 6(1))	\$ 76,344	10	\$ 43,923	5
1170	Accounts receivable, net (Note 6(2))	227,090	30	165,095	20
1181	Accounts receivable from related parties, net (Note 7)	157,983	21	—	—
1200	Other receivables (Note 6(2))	121	—	—	—
1210	Other receivables from related parties (Note 7)	14	—	—	—
1310	Inventory (Note 6(3))	153,151	20	230,963	28
1410	Prepayments	354	—	3,253	1
1476	Other current financial assets (Note 8)	48,979	6	37,317	5
11XX	Total current assets	664,036	87	480,551	59
Non-current assets					
1510	Non-current financial assets at fair value through profit or loss (Note 6(4))	—	—	—	—
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(5))	12,898	2	—	—
1550	Investments accounted for using the equity method (Note 6(6))	68,584	9	268,679	33
1600	Property, plant and equipment (Notes 6(7) and 8)	4,684	1	46,150	5
1755	Right-to-use assets (Note 6(8))	12,145	1	—	—
1760	Investment property (Notes 6(9) and 8)	—	—	21,967	3
1840	Deferred tax assets (Note 6(18))	59	—	1,406	—
1920	Refundable deposits	402	—	158	—
15XX	Total non-current assets	98,772	13	338,360	41
1XXX	Total assets	\$ 762,808	100	\$ 818,911	100

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Liabilities and equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current liabilities					
2100	Short-term loans (Notes 6(10), 7 and 8)	\$ 200,880	26	\$ 391,905	48
2130	Contract liabilities (Notes 6(15) and 7)	24	—	6,886	1
2160	Notes payable to related parties (Note 7)	140	—	42	—
2170	Accounts payable (Note 6(11))	22,462	3	2,351	—
2200	Other payables (Note 6(11))	12,736	2	6,412	—
2220	Other payables to related parties (Note 7)	1,531	—	—	—
2230	Current income tax liabilities (Note 6(18))	921	—	—	—
2280	Current lease liabilities (Note 6(8))	2,931	1	—	—
2322	Current portion of long-term loans (Notes 6(12), 7 and 8)	7,044	1	13,332	2
2399	Other current liabilities - others	347	—	295	—
21XX	Total current liabilities	249,016	33	421,223	51
Non-current liabilities					
2540	Long-term loans (Notes 6(12), 7 and 8)	2,716	—	9,750	2
2580	Non-current lease liabilities (Note 6(8))	31,548	4	—	—
2640	Non-current defined benefit liabilities - net (Note 6(13))	12,769	2	23,927	3
2645	Guarantee deposits received (Note 7)	1,603	—	1,691	—
2600	Other non-current liabilities	62,964	8	1,884	—
25XX	Total non-current liabilities	111,600	14	37,252	5
2XXX	Total liabilities	360,616	47	458,475	56
Equity					
3110	Common stock (Note 6(14))	695,142	92	695,142	85
3300	Retained earnings (Note 6(14))				
3310	Legal reserve	1,268	—	1,268	—
3320	Special reserve	3,259	—	3,259	—
3350	Accumulated deficit	(274,404)	(36)	(333,606)	(41)
3400	Other equity (Note 6(14))				
3410	Financial statements translation differences of foreign operations	(234)	—	(5,627)	—
3420	Unrealized valuation profit or loss of financial assets at fair value through other comprehensive income	(22,839)	(3)	—	—
3XXX	Total equity	402,192	53	360,436	44
	Total liabilities and equity	\$ 762,808	100	\$ 818,911	100

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng

Chip Hope Co., Ltd.

Parent Company Only Statements of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars  
(Except for Earnings Per Share, Which Are in New Taiwan Dollars)

	2022		2021	
	Amount	%	Amount	%
4000 Net operating revenue (Notes 6(15) and 7)	\$ 960,504	100	\$ 621,129	100
5000 Operating costs (Note 7)	(825,074)	(86)	(644,425)	(104)
5900 Gross profit (loss)	135,430	14	(23,296)	(4)
5910 Unrealized sales (gain)	(160,655)	(17)	(3,117)	—
5920 Realized sales gain	39,254	4	1,920	—
5950 Net gross profit (loss)	14,029	1	(24,493)	(4)
Operating expenses (Notes 6(16), 6(17) and 7)				
6100 Selling expenses	(26,360)	(3)	(21,598)	(4)
6200 General and administrative expenses	(19,137)	(2)	(16,496)	(2)
6450 Expected credit loss (gain)	(10,471)	(1)	11,302	2
6000 Total operating expenses	(55,968)	(6)	(26,792)	(4)
6900 Net operating income (loss)	(41,939)	(5)	(51,285)	(8)
Non-operating income and expenses (Notes 6(16) and 7)				
7010 Other income	1,637	—	1,295	—
7020 Other gains and losses	123,046	13	3,702	1
7050 Finance costs	(10,029)	(1)	(6,565)	(1)
7070 Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	(9,579)	(1)	(4,718)	(1)
7000 Total non-operating income and expenses	105,075	11	(6,286)	(1)
7900 Net income (loss) before tax	63,136	6	(57,571)	(9)
7950 Tax expense (Note 6(18))	(5,730)	—	—	—
8200 Net income (loss) for the period	57,406	6	(57,571)	(9)
Other comprehensive income				
8310 Items that will not be reclassified subsequently to profit or loss:				
8311 Remeasurement of defined benefit plans	1,796	—	1,300	—
8316 Unrealized valuation profit or loss of investment in equity instruments measured at fair value through other comprehensive income	(22,839)	(2)	—	—
8360 Items that may subsequently be reclassified to profit or loss:				
8361 Financial statements translation differences of foreign operations	6,740	—	(2,086)	—

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8399	Income tax relating to items that may be reclassified to profit or loss (Note 6(18))	<u>(1,347)</u>	<u>—</u>	<u>417</u>	<u>—</u>
8300	Other comprehensive income, net	<u>(15,650)</u>	<u>(2)</u>	<u>(369)</u>	<u>—</u>
8500	Total comprehensive income for the period	<u>\$ 41,756</u>	<u>4</u>	<u>\$ (57,940)</u>	<u>(9)</u>
Earnings per share of common stock (Note 6(19))					
From continuing operations					
9750	Basic earnings per share	<u>\$ 0.83</u>		<u>\$ (0.83)</u>	
9850	Diluted earnings per share	<u>\$ 0.83</u>		<u>\$ (0.83)</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng

Chip Hope Co., Ltd.  
Parent Company Only Statements of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

		Retained earnings				Other equity			
		Common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealized valuation profit or loss of financial assets at fair value through other comprehensive income	Total equity
A1	Balance at January 1, 2021	\$ 695,142	\$ 53,473	\$ 1,268	\$ 3,259	\$ (322,302)	\$ (3,958)	\$ —	\$ 426,882
A3	Retrospective adjustment of prior profit and loss	—	—	—	—	964	—	—	964
A5	Restated balance at January 1, 2021	695,142	53,473	1,268	3,259	(321,338)	(3,958)	—	427,846
C11	Capital surplus to cover accumulated deficit	—	(53,473)	—	—	53,473	—	—	—
M7	Change in ownership of subsidiaries	—	—	—	—	(9,470)	—	—	(9,470)
D1	Net income (loss) in 2021	—	—	—	—	(57,571)	—	—	(57,571)
D3	Other comprehensive income after tax in 2021	—	—	—	—	1,300	(1,669)	—	(369)
D5	Total comprehensive income in 2021	—	—	—	—	(56,271)	(1,669)	—	(57,940)
Z1	Balance at December 31, 2021	\$ 695,142	\$ —	\$ 1,268	\$ 3,259	\$ (333,606)	\$ (5,627)	\$ —	\$ 360,436
A1	Balance at January 1, 2022	\$ 695,142	\$ —	\$ 1,268	\$ 3,259	\$ (333,606)	\$ (5,627)	\$ —	\$ 360,436
D1	Net income in 2022	—	—	—	—	57,406	—	—	57,406
D3	Other comprehensive income after tax in 2022	—	—	—	—	1,796	5,393	(22,839)	(15,650)
D5	Total comprehensive income in 2022	—	—	—	—	59,202	5,393	(22,839)	41,756
Z1	Balance at December 31, 2022	\$ 695,142	\$ —	\$ 1,268	\$ 3,259	\$ (274,404)	\$ (234)	\$ (22,839)	\$ 402,192

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng

Chip Hope Co., Ltd.

Parent Company Only Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	2022	2021
AAAA Cash flows from operating activities:		
A00010 Net income (loss) before tax	\$ 63,136	\$ (57,571)
A20010 Adjustments for:		
A20100 Depreciation expenses	1,978	2,533
A20300 Expected credit loss (gain)	10,471	(11,302)
A20900 Finance costs	10,029	6,565
A21200 Interest income	(450)	(32)
A22400 Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	9,579	4,718
A22500 Loss (gain) on disposal of property, plant, and equipment	(51,828)	111
A22700 Loss (gain) on investment property	(51,273)	-
A23200 Loss (gain) on investment accounted for using the equity method	(8,325)	-
A23700 Write-downs of inventories	27,891	-
A23800 Write-downs of inventories (gains on price recovery)	-	(7,648)
A23900 Unrealized sales gain	160,655	3,117
A24000 Realized sales (gain)	(39,254)	(1,920)
A24100 Unrealized loss (gain) on foreign currency exchange	(7,027)	2,408
A30000 Net changes in operating assets and liabilities		
A31130 Notes receivable	-	159
A31150 Accounts receivable	(65,919)	46,007
A31160 Accounts receivable from related parties	(157,643)	-
A31180 Other receivables	(121)	4
A31190 Other receivables from related parties	-	262
A31200 Inventories	49,921	(17,510)
A31230 Prepayments	2,899	(2,991)
A32125 Contract liabilities	(6,879)	(45,778)
A32140 Notes payable to related parties	(42)	42
A32150 Accounts payable	20,207	271
A32160 Accounts payable to related parties	-	-
A32180 Other payables	5,743	1,042
A32190 Other payables to related parties	1,591	-
A32230 Other current liabilities	52	1
A32240 Net defined benefit liabilities	(9,362)	610
A33000 Cash inflow (outflow) generated from operations	(33,971)	(76,902)

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A33100	Interest received	436	32
A33300	Interest paid	(9,448)	(6,484)
A33500	Refund (payment) of income tax	(4,809)	29
AAAA	Net cash flows generated from (used in) operating activities	(47,792)	(83,325)
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(35,737)	-
B01900	Proceeds from disposal of associates' equity accounted for using the equity method	61,585	-
B02400	Refunds of shares accounted for using the equity method from capital reduction in investee companies	61,000	-
B02700	Acquisition of property, plant, and equipment	(50)	(3,685)
B02800	Proceeds from disposal of property, plant, and equipment	113,873	232
B03700	Increase in refundable deposits	(244)	-
B05400	Acquisition of investment property	(285)	-
B05500	Proceeds from disposal of investment property	73,352	-
B06500	(Increase in) other financial assets	(11,662)	-
B06600	Decrease in other financial assets	-	540
B07600	Dividends received	22,675	-
BBBB	Net cash flows generated from (used in) investing activities	284,507	(2,913)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	-	68,370
C00200	Decrease in short-term loans	(191,024)	-
C01700	Repayment of long-term loans	(13,322)	(13,844)
C03000	Increase in guarantee deposits received	52	-
C03100	(Decrease in) guarantee deposits received	-	(5)
C03800	(Decrease in) other payables to related parties	-	(7,000)
C05400	Acquisition of equity in subsidiaries	-	(28,700)
CCCC	Net cash flows generated from (used in) financing activities	(204,294)	18,821
EEEE	Net increase (decrease) in cash and cash equivalents	32,421	(67,417)
E00100	Cash and cash equivalents at beginning of period	43,923	111,340
E00200	Cash and cash equivalents at end of period	\$ 76,344	\$ 43,923

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng



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## Independent Auditors' Report

Chip Hope Co., Ltd.,

### Audit Opinion

We have audited the accompanying consolidated financial statements of Chip Hope Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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 (collectively referred to as the “consolidated financial statements”).

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the audit of the consolidated financial statements of the Group for the year ended December 31, 2022 are as follows:

#### Allowance for doubtful accounts receivable

The accounting policies with respect to accounts receivable are discussed in Note 4(12) financial instruments to the consolidated financial statements. For details, please refer to Note 6(2) notes

receivable, accounts receivable, other receivables, and overdue receivables to the consolidated financial statements.

Description of key audit matters:

As of December 31, 2022, the accounts receivable of the Group amounted to NT\$233,176,000, accounting for 20% of the total assets in the consolidated financial statements. The estimated impairment of the accounts receivable of the Group relates to the judgment that the amounts may not be recovered. The management, in accordance with International Financial Reporting Standards (IFRS) 9, recognized the loss on allowance for accounts receivable based on expected credit loss from continuing operations. The above estimation involves the management's subjective judgment and credit risk assumptions. Therefore, the estimated impairment of accounts receivable from the Group is included as one of the key audit matters for the year.

The audit procedures are summarized as follows:

We tested and assessed whether management's policy on the allowance for doubtful accounts receivable was reasonable; we tested the aging of accounts receivable balances and verified whether management's allowance for doubtful accounts was correct; and we assessed the post-period recovery of accounts receivable to see if the allowance for doubtful accounts was adequate.

#### Revenue recognition

The accounting policies with respect to revenue recognition are discussed in Note 4(13) revenue recognition to the consolidated financial statements. For details, please refer to Note 6(18) operating income to the consolidated financial statements.

Description of key audit matters:

Revenue is recognized under individual sales contracts when control of the merchandise is transferred. Because the Group enters into different trading terms with individual customers, whether to identify the transfer of control of merchandise based on the trading terms of individual sales targets and recognize revenue accordingly has a significant impact on the financial statements' reliability. As a result, it is listed as a key audit matter.

The audit procedures are summarized as follows:

We sought to understand the accounting policies adopted by the Group for revenue recognition and compared them with the terms of sales to assess whether the policies adopted were appropriate; we sampled internal controls and individual revenue transactions related to revenue recognition and verified relevant customer orders, shipping certificates, and collection documents; and we sampled sales transactions before and after the reporting date and reviewed relevant documents to assess whether the revenue recognition periods were appropriate.

#### **Other Matters**

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal

control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of the Company and its subsidiaries 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Group.

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

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

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

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

solely responsible for our audit opinion.

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

We provided the governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China to remain neutral and also communicated with them about all relations and other matters (including related preventive measures) that could affect the independence of certified public accountants.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022, 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.

RSM Taiwan

Document number approved by the competent authorities:

Jin-Guan-Cheng-Shen-Zi No. 1050028831

Jin-Guan-Cheng-Shen-Zi No. 1070305454

Certified public accountant: I-Tung Wan

Certified public accountant: Chien-Ling Chang

March 29, 2023

## **THE POWER OF BEING UNDERSTOOD**

**AUDIT | TAX | CONSULTING**

RSM Taiwan is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



Chip Hope Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Assets		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note 6(1))	\$ 99,940	8	\$ 99,058	8
1150	Notes receivable, net (Note 6(2))	—	—	16	—
1170	Accounts receivable, net (Note 6(2))	233,176	20	175,971	14
1200	Other receivables (Note 6(2))	564	—	546	—
1220	Current income tax assets (Note 6(21))	—	—	92	—
1310	Inventory (Note 6(3))	219,774	19	255,991	21
1410	Prepayments	7,129	1	9,849	1
1476	Other current financial assets (Note 8)	57,494	5	45,818	4
11XX	Total current assets	<u>618,077</u>	<u>53</u>	<u>587,341</u>	<u>48</u>
Non-current assets					
1510	Non-current financial assets at fair value through profit or loss (Note 6(4))	—	—	—	—
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(5))	12,898	1	—	—
	Investments accounted for using the equity method (Note 6(7))	—	—	115,989	10
1550	Property, plant and equipment (Notes 6(8) and 8)	—	16	—	12
1600		190,708		144,149	
1755	Right-to-use assets (Note 6(9))	226,577	19	249,310	21
1780	Intangible assets (Note 6(11))	87,254	8	74,507	6
1840	Deferred tax assets (Note 6(21))	59	—	1,406	—
1915	Prepayment of equipment	4,636	—	25,228	2
1920	Refundable deposits	10,585	1	9,070	1
	Other non-current assets - others (Note 6(12))	—	2	—	—
1990		22,245		8,795	
15XX	Total non-current assets	<u>554,962</u>	<u>47</u>	<u>628,454</u>	<u>52</u>
1XXX	Total assets	<u>\$ 1,173,039</u>	<u>100</u>	<u>\$ 1,215,795</u>	<u>100</u>

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Liabilities and equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>Current liabilities</b>					
2100	Short-term loans (Notes 6(13), 7 and 8)	\$ 228,880	20	\$ 419,905	35
2130	Contract liabilities (Note 6(18))	8,909	1	9,783	1
2150	Notes payable (Note 6(14))	6,563	1	2,307	—
2170	Accounts payable (Note 6(14))	57,630	5	18,045	1
2200	Other payables (Note 6(14))	62,720	5	28,731	2
	Other payables to related parties (Note		1		—
2220	7)	15,000		189	
	Current income tax liabilities (Note	1,206	—	112	—
2230	6(21))				
2280	Lease liabilities (Note 6(9))	37,182	3	33,785	3
2322	Current portion of long-term loans	31,005	3	23,802	2
	(Notes 6(15), 7 and 8)				
2399	Other current liabilities - others	1,206	—	2,628	—
21XX	Total current liabilities	<u>450,301</u>	<u>39</u>	<u>539,287</u>	<u>44</u>
<b>Non-current liabilities</b>					
2540	Long-term loans (Notes 6(15), 7 and 8)	75,906	7	57,058	5
2580	Non-current lease liabilities (Note 6(9))	219,270	18	218,689	18
	Non-current defined benefit liabilities -		1		2
2640	net (Note 6(16))	12,769		23,927	
2600	Other non-current liabilities	1,603	—	1,551	—
25XX	Total non-current liabilities	<u>309,548</u>	<u>26</u>	<u>301,225</u>	<u>25</u>
2XXX	Total liabilities	<u>759,849</u>	<u>65</u>	<u>840,512</u>	<u>69</u>
<b>Equity</b>					
3110	Common stock (Note 6(17))	695,142	59	695,142	57
3200	Capital surplus (Note 6(17))	—	—	—	—
3300	Retained earnings (Note 6(17))				
3310	Legal reserve	1,268	—	1,268	—
3320	Special reserve	3,259	—	3,259	—
3350	Accumulated deficit	(274,404)	(23)	(333,606)	(27)
3400	Other equity (Note 6(17))				
	Financial statements translation		—		—
3410	differences of foreign operations	(234)		(5,627)	
3420	Unrealized valuation profit or loss of	(22,839)	(2)	—	—
	financial assets at fair value through				
	other comprehensive income				
	Total equity attributable to owners of the		34		30
31XX	parent	402,192		360,436	
36XX	Non-controlling interests (Note 6(17))	10,998	1	14,847	1
3XXX	Total equity	<u>413,190</u>	<u>35</u>	<u>375,283</u>	<u>31</u>
	Total liabilities and equity	<u>\$ 1,173,039</u>	<u>100</u>	<u>\$ 1,215,795</u>	<u>100</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng

Chip Hope Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars  
(Except for Earnings Per Share, Which Are in New Taiwan Dollars)

	2022		2021	
	Amount	%	Amount	%
4000 Net operating revenue (Notes 6(18) and 7)	\$ 1,159,106	100	\$ 851,873	100
5000 Operating costs	(975,051)	(84)	(761,123)	(89)
5900 Gross profit	184,055	16	90,750	11
Operating expenses (Notes 6(19), 6(20) and 7)				
6100 Selling expenses	(200,860)	(17)	(136,834)	(16)
6200 General and administrative expenses	(36,747)	(3)	(30,116)	(4)
6450 Expected credit loss (gain)	(50,965)	(5)	11,772	2
6000 Total operating expenses	(288,572)	(25)	(155,178)	(18)
6900 Net operating income (loss)	(104,517)	(9)	(64,428)	(7)
Non-operating income and expenses (Note 6(19))				
7010 Other income	36,698	3	10,265	1
7020 Other gains and losses	144,641	12	(542)	—
7050 Finance costs	(16,256)	(1)	(9,594)	(1)
7060 Share of profit or loss of associates and joint ventures accounted for using equity method	449	—	(100)	—
7000 Total non-operating income and expenses	165,532	14	29	—
7900 Net income (loss) before tax	61,015	5	(64,399)	(7)
7950 Tax expense (Note 6(21))	(7,460)	—	(118)	—
8200 Net income (loss) for the period	53,555	5	(64,517)	(7)
Other comprehensive income				
8310 Items that will not be reclassified subsequently to profit or loss:				
8311 Remeasurement of defined benefit plans	1,796	—	1,300	—
8316 Unrealized valuation profit or loss of investment in equity instruments measured at fair value through other comprehensive income	(22,839)	(2)	—	—
8360 Items that may subsequently be reclassified to profit or loss:				

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8361	Financial statements translation	6,740	—	(2,086)	—
	differences of foreign operations				
8399	Income tax relating to items that may be reclassified to profit or loss (Note 6(21))	(1,347)	—	417	—
8300	Other comprehensive income, net	<u>(15,650)</u>	<u>(2)</u>	<u>(369)</u>	<u>—</u>
8500	Total comprehensive income for the period	<u>\$ 37,905</u>	<u>3</u>	<u>\$ (64,886)</u>	<u>(7)</u>
	Net income (loss) attributable to:				
8610	Owners of the parent	\$ 57,406	5	\$ (57,571)	(7)
8620	Non-controlling interests	<u>(3,851)</u>	<u>—</u>	<u>(6,946)</u>	<u>—</u>
		<u>\$ 53,555</u>	<u>5</u>	<u>\$ (64,517)</u>	<u>(7)</u>
	Comprehensive income attributable to:				
8710	Owners of the parent	\$ 41,756	5	\$ (57,940)	(7)
8720	Non-controlling interests	<u>(3,851)</u>	<u>—</u>	<u>(6,946)</u>	<u>—</u>
		<u>\$ 37,905</u>	<u>5</u>	<u>\$ (64,886)</u>	<u>(7)</u>
	Earnings per share of common stock (Note 6(22))				
	From continuing operations				
9750	Basic earnings per share	<u>\$ 0.83</u>		<u>\$ (0.83)</u>	
9850	Diluted earnings per share	<u>\$ 0.83</u>		<u>\$ (0.83)</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng

Chip Hope Co., Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the parent										
		Retained earnings			Other equity		Unrealized valuation profit or loss of financial assets at fair value through other comprehensive income			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficit	Financial statements translation differences of foreign operations					
A1	Balance at January 1, 2021	\$ 695,142	\$ 53,473	\$ 1,268	\$ 3,259	\$(322,302)	\$ ( 3,958)	\$ —	\$ 426,882	\$ 6,023	\$ 432,905	
A3	Variance of retrospective adjustment and restatement	—	—	—	—	964	—	—	964	—	964	
A5	Restated balance at January 1, 2021	695,142	53,473	1,268	3,259	(321,338)	(3,958)	—	427,846	6,023	433,869	
C11	Capital surplus to cover accumulated deficit	—	(53,473)	—	—	53,473	—	—	—	—	—	
M7	Change in ownership of subsidiaries	—	—	—	—	(9,470)	—	—	(9,470)	9,470	—	
O1	Increase in non-controlling interests	—	—	—	—	—	—	—	—	6,300	6,300	
D1	Net income (loss) in 2021	—	—	—	—	(57,571)	—	—	(57,571)	(6,946)	(64,517)	
D3	Other comprehensive income after tax in 2021	—	—	—	—	1,300	(1,669)	—	(369)	—	(369)	
D5	Total comprehensive income in 2021	—	—	—	—	(56,271)	(1,669)	—	(57,940)	(6,946)	(64,886)	
Z1	Balance at December 31, 2021	\$ 695,142	\$ —	\$ 1,268	\$ 3,259	\$(333,606)	\$ (5,627)	\$ —	\$ 360,436	\$ 14,847	\$ 375,283	
A1	Balance at January 1, 2022	\$ 695,142	\$ —	\$ 1,268	\$ 3,259	\$(333,606)	\$ (5,627)	\$ —	\$ 360,436	\$ 14,847	\$ 375,283	
O1	Increase in non-controlling interests	—	—	—	—	—	—	—	—	2	2	
D1	Net income in 2022	—	—	—	—	57,406	—	—	57,406	(3,851)	53,555	
D3	Other comprehensive income after tax in 2022	—	—	—	—	1,796	5,393	(22,839)	(15,650)	—	(15,650)	
D5	Total comprehensive income in 2022	—	—	—	—	59,202	5,393	(22,839)	41,756	(3,851)	37,905	
Z1	Balance at December 31, 2022	\$ 695,142	\$ —	\$ 1,268	\$ 3,259	\$(274,404)	\$ (234)	\$ (22,839)	\$ 402,192	\$ 10,998	\$ 413,190	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng

Chip Hope Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	2022	2021
AAAA Cash flows from operating activities:		
A00010 Net income (loss) before tax	\$ 61,015	\$ (64,399)
A20010 Adjustments for:		
A20100 Depreciation expenses	56,446	42,025
A20200 Amortization expenses	33,707	12,435
A20300 Expected credit loss (gain)	50,965	(11,772)
A20900 Finance costs	16,256	9,594
A21200 Interest income	(318)	(78)
A22300 Share of profit or loss of associates and joint ventures accounted for using equity method	(449)	100
A22500 Loss (gain) on disposal of property, plant, and equipment	(102,417)	110
A23200 Loss (gain) on investment accounted for using the equity method	(30,092)	—
A23700 Write-downs of inventories	38,110	—
A23800 Write-downs of inventories (gains on price recovery)	—	(6,293)
A24000 Unrealized loss on foreign currency exchange	(6,857)	(256)
A29900 Loss on inventory obsolescence	8,617	—
A29900 Others	10	(19)
A30000 Net changes in operating assets and liabilities		
A31130 Notes receivable	16	183
A31150 Accounts receivable	(102,943)	39,369
A31180 Other receivables	(18)	(83)
A31200 Inventories	(11,716)	(24,025)
A31230 Prepayments	2,720	(5,376)
A32125 Contract liabilities	(891)	2,569
A32130 Notes payable	4,256	1,520
A32150 Accounts payable	39,681	9,070
A32180 Other payables	11,681	4,656
A32190 Other payables to related parties	(189)	(6,555)
A32230 Other current liabilities	(1,422)	932
A32240 Net defined benefit liabilities	(9,362)	610
A33000 Cash flows generated from operations	56,806	4,317
A33100 Interest received	318	78
A33300 Interest paid	(15,619)	(9,479)
A33500 Refund (payment) of income tax	(6,274)	722
AAAA Net cash flows generated from (used in) operating activities	35,231	(4,362)

(Continued on the next page)

(Continued from previous page)

<b>BBBB</b>	<b>Cash flows from investing activities:</b>		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(35,737)	—
B01900	Proceeds from disposal of associates' equity accounted for using the equity method	146,530	—
B02700	Acquisition of property, plant, and equipment	(89,128)	(11,588)
B02800	Proceeds from disposal of property, plant, and equipment	187,225	258
B03700	Increase in refundable deposits	(1,515)	(2,087)
B04500	Acquisition of intangible assets	(30,651)	(55,703)
B06500	Increase in other financial assets	(11,676)	(7,961)
B06700	Increase in other non-current assets	(15,799)	(7,567)
B07100	Increase in prepayments for equipment	(5,325)	(25,228)
B07600	Dividends received	—	300
<b>BBBB</b>	<b>Net cash flows generated from (used in) investing activities</b>	<b>143,924</b>	<b>(109,576)</b>
<b>CCCC</b>	<b>Cash flows from financing activities:</b>		
C00100	Increase in short-term loans	—	81,370
C00200	Decrease in short-term loans	(191,024)	—
C01600	Proceeds from long-term loans	53,686	30,000
C01700	Repayment of long-term loans	(27,635)	(20,510)
C03000	Increase in guarantee deposits received	52	—
C03100	(Decrease in) guarantee deposits received	—	(145)
C03700	Increase in other payables to related parties	15,000	—
C03800	(Decrease in) other payables to related parties	—	(10,000)
C04020	Repayments of lease liabilities	(33,907)	(27,042)
C05800	Change in non-controlling interests	—	6,300
<b>CCCC</b>	<b>Net cash flows generated from (used in) financing activities</b>	<b>(183,828)</b>	<b>59,973</b>
<b>DDDD</b>	<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>5,555</b>	<b>(2,394)</b>
<b>EEEE</b>	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>882</b>	<b>(56,359)</b>
E00100	Cash and cash equivalents at beginning of period	99,058	155,417
E00200	Cash and cash equivalents at end of period	<u>\$ 99,940</u>	<u>\$ 99,058</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan-Ching Chen

Manager: Yi-Chang Liu

Accounting Supervisor: Dong-Feng Peng

Chip Hope Co., Ltd  
2022 Deficit Appropriation Report

Unit: in thousand NT\$

Beginning balance	(333,606,027)
Add: Remeasurement of defined benefit plan recognized in retained earnings	1,795,580
Net income after tax of the year	<u>57,406,116</u>
Ending accumulated deficit	<u>(274,404,331)</u>

Chairman:  
Yuan-Ching Chen

Manager:  
Yi-Chang Liu

Chief Accounting Officer:  
Dong-Feng Peng



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

Articles after the amendment	Articles before the amendment	Explanation
Article 2 The Company is engaged in the following businesses: I. CB01010 Mechanical Equipment Manufacturing II. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing III. CC01070 Telecommunication Equipment and Apparatus Manufacturing IV. CC01080 Electronics Components Manufacturing V. CC01110 Computer and Peripheral Equipment Manufacturing VI. F113010 Wholesale of Machinery VII. F113020 Wholesale of Household Appliance VIII. F113050 Wholesale of Computers and Clerical Machinery Equipment IX. F119010 Wholesale of Electronic Materials X. F213010 Retail Sale of Electrical Appliances XI. F213030 Retail Sale of Computers and Clerical Machinery Equipment XII. F213080 Retail Sale of Other Machinery and Equipment XIII. F401010 International Trade XIV. I501010 Product Designing XV. CF01011 Medical Devices Manufacturing XVI. F108031 Wholesale of Drugs, Medical Goods XVII. F208031 Retail Sale of Medical Apparatus XVIII. CE01021 Weights and Measuring Instruments Manufacturing XIX. F401181 Measuring Instruments Import	Article 2 The Company is engaged in the following businesses: I. CB01010 Mechanical Equipment Manufacturing II. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing III. CC01070 Telecommunication Equipment and Apparatus Manufacturing IV. CC01080 Electronics Components Manufacturing V. CC01110 Computer and Peripheral Equipment Manufacturing VI. F113010 Wholesale of Machinery VII. F113020 Wholesale of Household Appliance VIII. F113050 Wholesale of Computers and Clerical Machinery Equipment IX. F119010 Wholesale of Electronic Materials X. F213010 Retail Sale of Electrical Appliances XI. F213030 Retail Sale of Computers and Clerical Machinery Equipment XII. F213080 Retail Sale of Other Machinery and Equipment XIII. F401010 International Trade XIV. I501010 Product Designing XV. CF01011 Medical Devices Manufacturing XVI. F108031 Wholesale of Drugs, Medical Goods XVII. F208031 Retail Sale of Medical Apparatus XVIII. CE01021 Weights and Measuring Instruments Manufacturing XIX. F401181 Measuring Instruments Import	Add operating items for the need of the Company's business.

Articles after the amendment		Articles before the amendment		Explanation
XX.	F401021 Restrained Telecom Radio Frequency Equipments and Materials Import	XX.	F401021 Restrained Telecom Radio Frequency Equipments and Materials Import	
XXI.	F113070 Wholesale of Telecommunication Apparatus	XXI.	F113070 Wholesale of Telecommunication Apparatus	
XXII.	F213060 Retail Sale of Telecommunication Apparatus	XXII.	F213060 Retail Sale of Telecommunication Apparatus	
XXIII.	CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing	XXIII.	CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing	
XXIV.	E603080 Traffic Signs Installation Engineering	XXIV.	E603080 Traffic Signs Installation Engineering	
XXV.	E603090 Lighting Equipments Construction	XXV.	E603090 Lighting Equipments Construction	
XXVI.	EZ06010 Traffic Marking Engineering	XXVI.	EZ06010 Traffic Marking Engineering	
XXVII.	F113090 Wholesale of Traffic Sign Equipments and Materials	XXVII.	F113090 Wholesale of Traffic Sign Equipments and Materials	
XXVIII.	IG03010 Energy Technical Services	XXVIII.	IG03010 Energy Technical Services	
XXIX.	CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery	XXIX.	CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery	
XXX.	CE01030 Optical Instruments Manufacturing	XXX.	CE01030 Optical Instruments Manufacturing	
XXXI.	CB01990 Other Machinery Manufacturing	XXXI.	CB01990 Other Machinery Manufacturing	
XXXII.	C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food	XXXII.	C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food	
XXXIII.	C199990 Manufacture of Other Food Products Not Elsewhere Classified	XXXIII.	C199990 Manufacture of Other Food Products Not Elsewhere Classified	
XXXIV.	C101010 Slaughter	XXXIV.	C101010 Slaughter	
XXXV.	C801010 Basic Industrial Chemical Manufacturing	XXXV.	C801010 Basic Industrial Chemical Manufacturing	
XXXVI.	C801990 Other Chemical Materials Manufacturing	XXXVI.	C801990 Other Chemical Materials Manufacturing	
XXXVII.	C802120 Industrial and Additive Manufacturing	XXXVII.	C802120 Industrial and Additive Manufacturing	
XXXVIII.	C802990 Other Chemical Products Manufacturing	XXXVIII.	C802990 Other Chemical Products Manufacturing	
XXXIX.	F107170 Wholesale of Industrial Catalyst	XXXIX.	F107170 Wholesale of Industrial Catalyst	
XL.	F107200 Wholesale of Chemical Feedstock	XL.	F107200 Wholesale of Chemical Feedstock	
XLI.	F107990 Wholesale of Other Chemical Products	XLI.	F107990 Wholesale of Other Chemical Products	
XLII.	F101050 Wholesale of Fishery	XLII.	F101050 Wholesale of Fishery	

Articles after the amendment	Articles before the amendment	Explanation
<p>Products</p> <p>XLIII. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products</p> <p>XLIV. F113030 Wholesale of Precision Instruments</p> <p>XLV. F213040 Retail Sale of Precision Instruments</p> <p>XLVI. CE01010 General Instrument Manufacturing</p> <p>XLVII. I103060 Management Consulting</p> <p>XLVIII. F102030 Wholesale of Tobacco Products and Alcoholic Beverages</p> <p>XLIX. F201010 Retail Sale of Agricultural Products</p> <p>L. F203020 Retail Sale of Tobacco and Alcohol</p> <p>LI. F208040 Retail Sale of Cosmetics</p> <p>LII. F301010 Department Stores</p> <p>LIII. F301020 Supermarkets</p> <p>LIV. F399010 Convenience Stores</p> <p>LV. F501060 Restaurants</p> <p>LVI. J901020 Hotels and Motels</p> <p>LVII. JB01010 Conference and Exhibition Services</p> <p>LVIII. <u>CC01050 Data Storage Media Units Manufacturing</u></p> <p>LIX. <u>CC01120 Data Storage Media Manufacturing and Duplicating</u></p> <p>LX. <u>I301010 Software Design Services</u></p> <p>LXI. <u>I301020 Data Processing Services</u></p> <p>LXII. <u>I301030 Electronic Information Supply Services</u></p> <p>LXIII. <u>JZ99050 Agency Services</u></p> <p>LXIV. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval</p>	<p>Products</p> <p>XLIII. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products</p> <p>XLIV. F113030 Wholesale of Precision Instruments</p> <p>XLV. F213040 Retail Sale of Precision Instruments</p> <p>XLVI. CE01010 General Instrument Manufacturing</p> <p>XLVII. I103060 Management Consulting</p> <p>XLVIII. F102030 Wholesale of Tobacco Products and Alcoholic Beverages</p> <p>XLIX. F201010 Retail Sale of Agricultural Products</p> <p>L. F203020 Retail Sale of Tobacco and Alcohol</p> <p>LI. F208040 Retail Sale of Cosmetics</p> <p>LII. F301010 Department Stores</p> <p>LIII. F301020 Supermarkets</p> <p>LIV. F399010 Convenience Stores</p> <p>LV. F501060 Restaurants</p> <p>LVI. J901020 Hotels and Motels</p> <p>LVII. JB01010 Conference and Exhibition Services</p> <p>LVIII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval</p>	
<p>Article 25</p> <p>The Articles of Incorporation was established on December 2, 1993. (The middle of the article is omitted)</p> <p><u>The 23rd amendment was made on May 30, 2023.</u></p>	<p>Article 25</p> <p>The Articles of Incorporation was established on December 2, 1993. (The rest of the article is omitted)</p>	<p>Added the date of the 23rd amendment.</p>

## Chip Hope Co., Ltd

## Status of Directors' Share Ownership

Effective date: April 1, 2023

Position	Name	Date Elected	Shareholding while Elected			Current Shareholding			Remark
			Type	Number of Shares	Shareholding Ratio (%)	Type	Number of Shares	Shareholding Ratio (%)	
Chairman	Yuan -Ching Cheng	2021.08.18	Ordinary shares	4,784,483	6.88%	Ordinary shares	3,784,483	5.44%	-
Director	Yueh-Min Cheng	2021.08.18	Ordinary shares	2,887,037	4.15%	Ordinary shares	2,687,037	3.87%	-
Director	Tung Chi Investment Co., Ltd	2021.08.18	Ordinary shares	3,180,000	4.57%	Ordinary shares	3,180,000	4.57%	-
Independent director	Ya-Ling Hsu	2021.08.18	Ordinary shares	10,000	0.01%	Ordinary shares	0	0.00%	-
Independent director	Wen-Heng King	2021.08.18	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	-
Independent director	Ching-Feng Tsai	2021.08.18	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	-
Total			Ordinary shares	15,600,610		Ordinary shares	9,651,520		

Total shares outstanding on April 1, 2023: 69,514,149 shares.

Note: The total share ownership of directors required by law: 5,561,131 shares. Total ownership of directors as of April 1, 2023: 12,090,610 shares.

The Company has set up the Audit Committee. Therefore the supervisor share ownership requirement by law is not applicable.

\* The shareholding of independent directors does not count in shareholding of directors.

## Chip Hope Co., Ltd Articles of Incorporation

### Chapter 1 General Principals

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

The Company is engaged in the following businesses:

- I. CB01010 Mechanical Equipment Manufacturing
- II. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- III. CC01070 Telecommunication Equipment and Apparatus Manufacturing
- IV. CC01080 Electronics Components Manufacturing
- V. CC01110 Computer and Peripheral Equipment Manufacturing
- VI. F113010 Wholesale of Machinery
- VII. F113020 Wholesale of Household Appliance
- VIII. F113050 Wholesale of Computers and Clerical Machinery Equipment
- IX. F119010 Wholesale of Electronic Materials
- X. F213010 Retail Sale of Electrical Appliances
- XI. F213030 Retail Sale of Computers and Clerical Machinery Equipment
- XII. F213080 Retail Sale of Other Machinery and Equipment
- XIII. F401010 International Trade
- XIV. I501010 Product Designing
- XV. CF01011 Medical Devices Manufacturing
- XVI. F108031 Wholesale of Drugs, Medical Goods
- XVII. F208031 Retail Sale of Medical Apparatus
- XVIII. CE01021 Weights and Measuring Instruments Manufacturing
- XIX. F401181 Measuring Instruments Import
- XX. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- XXI. F113070 Wholesale of Telecommunication Apparatus
- XXII. F213060 Retail Sale of Telecommunication Apparatus
- XXIII. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- XXIV. E603080 Traffic Signs Installation Engineering
- XXV. E603090 Lighting Equipments Construction
- XXVI. EZ06010 Traffic Marking Engineering
- XXVII. F113090 Wholesale of Traffic Sign Equipments and Materials
- XXVIII. IG03010 Energy Technical Services
- XXIX. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
- XXX. CE01030 Optical Instruments Manufacturing
- XXXI. CB01990 Other Machinery Manufacturing
- XXXII. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
- XXXIII. C199990 Manufacture of Other Food Products Not Elsewhere Classified
- XXXIV. C101010 Slaughter
- XXXV. C801010 Basic Industrial Chemical Manufacturing
- XXXVI. C801990 Other Chemical Materials Manufacturing
- XXXVII. C802120 Industrial and Additive Manufacturing
- XXXVIII. C802990 Other Chemical Products Manufacturing
- XXXIX. F107170 Wholesale of Industrial Catalyst
- XL. F107200 Wholesale of Chemical Feedstock
- XLI. F107990 Wholesale of Other Chemical Products
- XLII. F101050 Wholesale of Fishery Products
- XLIII. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products
- XLIV. F113030 Wholesale of Precision Instruments
- XLV. F213040 Retail Sale of Precision Instruments

- XLVI. CE01010 General Instrument Manufacturing
- XLVII. I103060 Management Consulting
- XLVIII. F102030 Wholesale of Tobacco Products and Alcoholic Beverages
- XLIX. F201010 Retail Sale of Agricultural Products
- L. F203020 Retail Sale of Tobacco and Alcohol
- LI. F208040 Retail Sale of Cosmetics
- LII. F301010 Department Stores
- LIII. F301020 Supermarkets
- LIV. F399010 Convenience Stores
- LV. F501060 Restaurants
- LVI. J901020 Hotels and Motels
- LVII. JB01010 Conference and Exhibition Services
- LVIII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

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

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

## Chapter 2 Shares

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

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

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

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

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

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

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

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

## Chapter 3 Shareholders' Meeting

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

number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

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

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

#### Chapter 4 Director, Audit Committee, and Managerial Officer

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

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

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

If a director is not able to attend the board of directors' meeting, he may appoint a director to attend in his behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. The chairman shall be elected by a majority vote of the directors present at the meeting of board of directors attended by directors representing two-thirds of the directors. The chairman represents the Company.

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

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

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

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

#### Chapter 5 Accounting

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

I. Business report.

II. Financial statements.

III. Proposal of earnings distribution or deficit appropriation.

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

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

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

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

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

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

## Chapter 6 Appendix

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 19th amendment was made on May 31 2016.

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

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

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



## Chip Hope Co., Ltd

### Rules of Procedures for Shareholders' Meeting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Article 4

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. How shareholders attend the meeting and how they exercise their rights.

II. In the event of a natural disaster, unforeseen circumstances, or other force

majeure that causes obstacles in accessing the video conferencing platform or participating via video conferencing, the following handling methods shall be adopted:

- (I) If the obstacles mentioned above cannot be resolved, and the meeting needs to be postponed or continued, the new date and time for the meeting shall be determined.
- (II) Shareholders who did not register to participate via video conferencing in the original shareholders' meeting shall not be allowed to participate in any postponed or continued meetings via video conferencing.
- (III) In the event of a hybrid shareholders' meeting, if the video conference cannot be continued, the meeting shall continue by deducting the shares of those who participated via video conferencing. If the total number of shares present still reaches the legal quorum required for the meeting, the meeting shall proceed, and those who participated via video conferencing shall be considered present and counted towards the total number of shares present. However, their votes on all matters to be considered at the meeting shall be deemed to have been abstained.
- (IV) In the case where all the agenda items have been announced with their results and no extempore motion has been raised, the way to handle this situation shall be included.

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

#### Article 7

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

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

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

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. If there is more than one person who has called a shareholders' meeting, such persons shall elect one from among themselves to act as the chairperson at such shareholders' meeting.

The Company may invite attorneys, certified public accountants or relevant

persons to attend a shareholders' meeting.

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

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

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

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

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

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

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

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

If there are still representatives of shareholders who hold more than one-third of the total issued shares present at the meeting after the above-mentioned adjournment for the second time, they may pass a fictitious resolution in accordance with the first paragraph of Article 175 of the Company Act and notify all shareholders of the fictitious resolution to convene a shareholders' meeting within one month. If a shareholders' meeting is held by video conference, shareholders who wish to attend via video conference should re-register with the Company in accordance with Article 6.

If the number of shares represented by the shareholders present at the meeting exceeds half of the total issued and outstanding shares of the Company before the end of the meeting, the tentative resolution may be re-proposed by the

chairperson to be passed in the shareholders' meeting in accordance with Article 174 of the Company Act.

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

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

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

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

Article 11 (Shareholders' Statement)

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

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

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

When an attending shareholder delivers a speech, unless otherwise permitted by the chairperson and the shareholder who is making the speech, no shareholder may interrupt the speech. If any shareholder violates this provision, the chairperson shall intervene to stop such interruption.

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

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

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

Article 12 (Calculation of voting shares, avoidance system)

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

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

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

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

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

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

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

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver the intent to the Company 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except

when a declaration is made to cancel the earlier declaration of intent.

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

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

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

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

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

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

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

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

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

Shareholders who have exercised their voting rights in writing or electronically and have



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

Article 14 (Elections)

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

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

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

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

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

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

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

Article 16 (Public announcement)

The number of shares solicited, the number of shares represented by proxy, and the number of shares represented by shareholders attending in writing or electronically shall be compiled by the Company into a statistical table in the prescribed format and displayed clearly at the venue of the shareholders' meeting on the day of the meeting. In the case of a shareholders' meeting held by video

conference, the Company shall upload the aforementioned information to the video conferencing platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

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

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

Article 17 (Maintaining order at the meeting place)

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

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

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairman may prevent the shareholder from doing so.

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

Article 18 (Break, resumption of meeting)

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

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

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 (Information disclosure of virtual meeting)

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

Article 20 (The location of Chairperson and the recorder)

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

Article 21 (Handling disconnection)

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

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

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

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

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

If the situation described in the previous paragraph occurs and the shareholders' meeting should continue, the shareholders who participate in the meeting via video conferencing shall be counted towards the total shareholding present, but their votes shall be deemed as abstentions for all matters at the meeting.

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

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

Article 22 (Handling digital divide)

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

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

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

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

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

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

**Chip Hope Co., Ltd**  
**Procedures for Election of Directors**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.  
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, it shall be retained until the conclusion of the litigation.

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

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

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