

Stock Code: 3189

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

KINSUS INTERCONNECT TECHNOLOGY CORP.

Handbook for the 2023 Annual Meeting of Shareholders

Meeting Date: May 31th, 2023

Place: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City (i.e. Kinsus Shih-Lei plant)

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

Table of Contents

	<u>Page</u>
I. Meeting Procedure.....	1
II. Meeting Agenda.....	2
1. Items to be reported.....	3
2. Items to be approved.....	3
3. Other Questions and Motions.....	4
III. Attachment	
1. The 2022 Business Report.....	5
2. Audit Committee’s Review Report.....	10
3. The 2022 financial statements accompanied with an audit report.....	11
4. The distribution schedule of 2022 earnings.....	34
IV. Reference	
1. Rules of Procedure for Shareholder Meetings.....	35
2. Articles of Incorporation.....	38
3. Current Shareholding by Directors.....	44
4. Other Information.....	45

Kinsus Interconnect Technology Corp.

Procedure for the 2023 Annual Meeting of Shareholders

- I. Chairperson Declares the Starting of the Meeting
- II. Chairperson's Opening Statements
- III. Items To Be Reported
- IV. Items To Be Approved
- V. Other Questions and Motions
- VI. Adjournment

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

Kinsus Interconnect Technology Corp. Agenda for the 2023 of Annual Meeting of Shareholders

Convening method: entity shareholders meeting

Time: 9:00 a.m., May 31th (Wednesday), 2023

Place: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City
(Kinsus Shih-Lei plant)

- I. Chairperson Declares the Starting of the Meeting
- II. Chairperson's Opening Statements
- III. Items To Be Reported
 1. The 2022 Business Report
 2. Audit Committee's Review Report on the 2022 Financial Statements
 3. To report 2022 Employees' and directors' Compensation
 4. To report the 2022 Earnings Distribution of dividends
- IV. Items To be Approved
 1. To approve 2022 Business Report, Consolidated Financial Statements and Parent-company-only Financial Statements (Proposed by the Board of Directors)
 2. To approve the proposal for 2022 earnings distribution (Proposed by the Board of Directors)
- V. Other Questions and Motions
- VI. Adjournment

I. Items To Be Reported

1. The 2022 Business Report

Explanatory Notes: Please refer to Attachment I. (Page 5 to 9)

2. Audit Committee's Review Report on the 2022 Financial Statements

Explanatory Notes: Please refer to Attachment II. (Page 10)

3. To report 2022 Employees' and directors' Compensation

Explanatory Notes:

- a. Base on the Company's the Article of Incorporation, article 24, the Company's employees' and directors' compensation shall be at no less than 10% and no more than 1% of the "income before tax and employees' and directors' compensation", respectively, if profits in current year is made.
 - b. The Company's board of directors has resolved to pay out 2022 directors' and employees' compensation in amount of NT\$69,913,318 and NT\$1,198,514,032, respectively, if profits in current year is made.
4. To report the 2022 Earnings Distribution of dividends.

Explanatory Notes:

- a. Based on the Company's Article of Incorporation, article 24-1, authorize the Company's board of directors has resolved to pay out cash dividend NT\$6.5 per share in amount of NT\$2,943,011,890.
- b. Please include in other income of the company, if too trivial to one NT dollar, to specific shareholders. The measurement date will be decided by the Chairman under the authorization.
- c. Please authorize the Chairman to adjust, in good faith, the ratio of dividend per share, based on the shares outstanding on the record date for distribution, to the extent of no change in the resolved total amount to be distributed to shareholders.

II. Items To Be Approved

1. To approve 2022 Business Report, Consolidated Financial Statements and Parent-Company-Only Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company's Business Report, Consolidated Financial Statements and Parent-Company-Only Financial Statements have been reviewed by Audit Committee and

hereby proposed for the shareholders' approval. Among these documentations, the Parent-Company-Only Financial Statements and Consolidated Financial Statements have been audited by Ernst & Young.

- b. For details, please refer to page 5-9 of Attachment I and page 11-33 of Attachment III to the Meeting Handbook.

Resolution:

2. To approve the proposal for 2022 earnings distribution (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company's after-tax net income in 2022 was NT\$6,976,792,379. After withdrawing the legal reserve and reversing the special reserve, the Company makes the earnings distribution table in accordance with its Articles.
- b. The 2022 earnings distribution table is shown in Attachment IV (page 34) to the Meeting Handbook for reference.

Resolution:

III. Other Questions and Motions

IV. Adjournment

Attachment I

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

2022 Business Report

1. 2022 Business Report

The epidemic dividend created huge growth in the semiconductor industry in 2021 and the first half of 2022. The overall electronics industry rapidly entered a month-on-month recession. The upstream and downstream of the electronics industry have simultaneously adjusted and controlled inventory production, and the rapid decline in new product orders has explained the pattern and trend of the overall electronics industry in 2022. Weak demand, uncertainty about future growth, and doubts about inflation, the pessimistic situation will continue until at least the first half of 2023, and the visibility of orders has also been greatly shortened. The overall industry is in an atmosphere of waiting for recovery.

Looking back at the electronic product industry in 2022, each product and device still had different growth trends. In terms of smart phones, the growth of American smart phones is limited, but the demand for smart phones in China is growing, partly due to the strong blockage and clearance, which affects economic growth and the demand for replacements, besides, it is more due to the ultra-high inventory of components built in 2021. The global demand for smart phones declined of 11% in 2022, which is the product leading into the post-epidemic recession.

In terms of notebook computer products, after experiencing a huge growth of 23.2% in 2021, it also declined rapidly after the second quarter of 2022. Although there are still 188.5 million units shipped in the end, it returns to the pre-epidemic situation in 2020, but the recession in 2022 also reached 23.8%, and the market can be described as "frozen".

The demand for servers and data centers brought about by artificial intelligence and high-efficiency computing was originally highly optimistic. In the end, due to the increasing uncertainty of demand growth in 2023, major system customers have reduced capital expenditures, and even further layoff staff to cut expenses. This led to a 7.2% quarter-on-quarter decline in server demand in the fourth quarter of 2022. Although there is still double-digit growth throughout the year, major system vendors have also lowered the growth rate in 2023 to around 4%, and the outlook is conservative.

Looking at the global IC substrate market and its outlook, even in the short-term such as high inventory in stock, war between Ukraine and Russia, and China-US technology restrictions, the long-term development is still positive. Referring to Prismark's market report (Refer to Figure I), the IC substrate market size grew by 19% in 2022, and the compound growth rate in the next five years will also be 8.3%, which is still in a high-speed growth field and is better than the entire semiconductor industry about 5.6% compound growth rate.

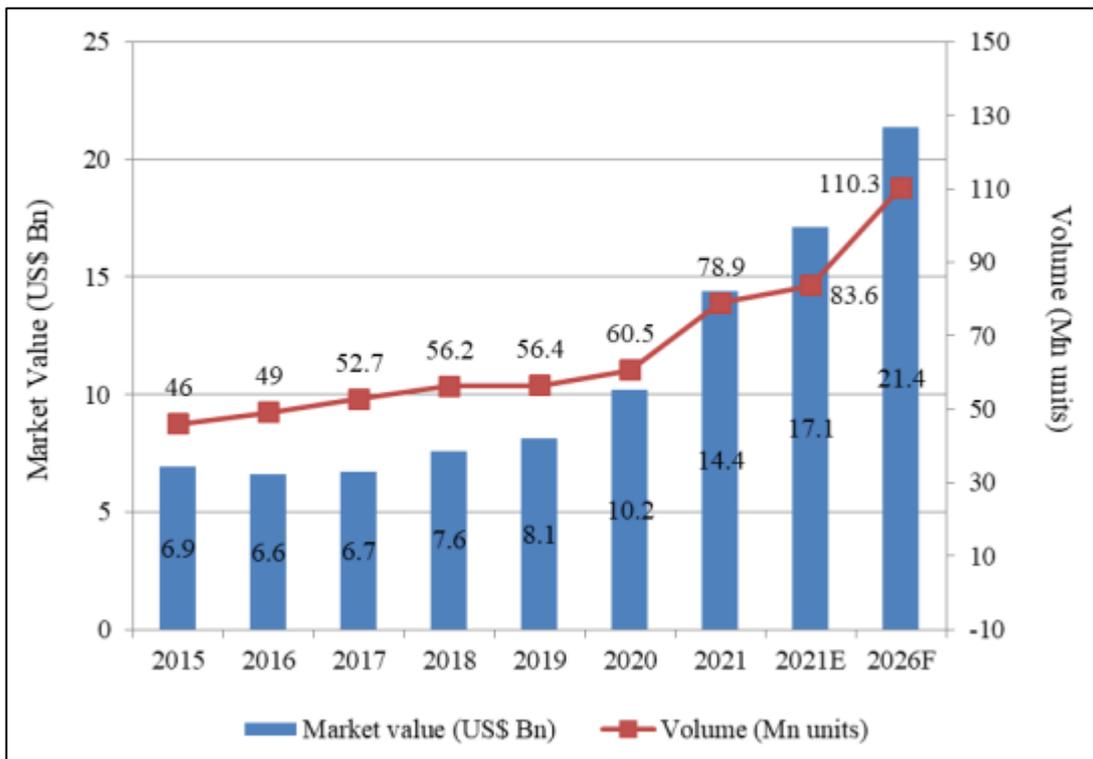


Table I. Market Size of Global IC Substrate (Source: Prismark, October 2022)

The growth of the substrate market still comes from AI artificial intelligence, high-efficiency computing and other fields. The substrate category belongs to FC-BGA, commonly known as ABF flip-chip substrate. Its annual compound growth rate is about 11.5% (Refer to Table I), and its proportion is also increasing year by year. It is estimated that it will increase to 56.6 % in 2026 (Refer to Figure II).

The higher growth rate of another application category of substrate is module products (Module), which are used in many handheld devices, and its compound annual growth rate has reached to 9.1%. Module products will follow AI artificial intelligence in various fields. The popularization of the field and the diversification of terminal access devices have resulted in more application scenarios, and the market scale has continued to grow.

(Unit: USD million)

	2021	2022E	2026F	2021-2026 CAAGR
FC PGA/LGA/BGA	7,033	9,165	12,132	11.5%
FCCSP/FCBOC	2,738	2,864	3,497	4.8%
WB PBGA/CSP	2,855	3,099	3,043	1.7%
Module	1,784	2,010	2,763	9.1%
Total	14,410	17,139	21,435	8.3%

Table I. IC Substrate Product Portfolio and Compound Growth Rate (Source: Prismark, October 2022)

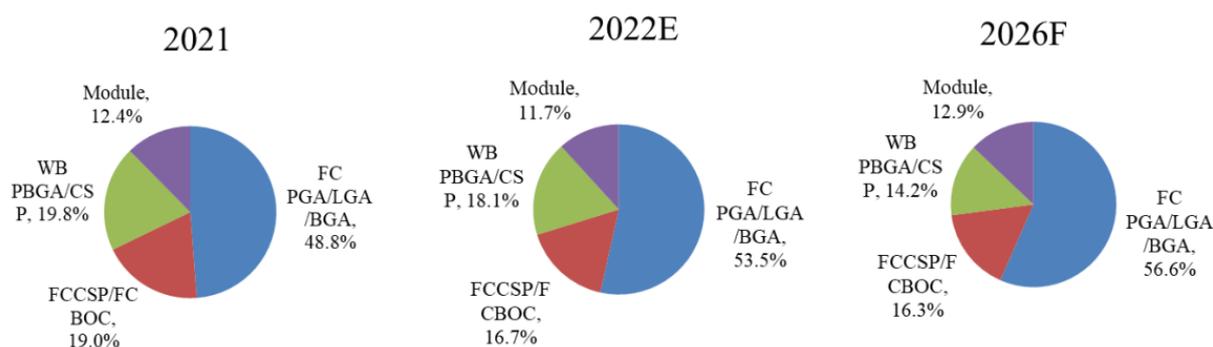


Figure II. IC Substrate Product Portfolio Changes (Source: Prismark, October 2022)

From the end of 2022 to the beginning of 2023, the overall semiconductor industry was in a downturn. The uncertainty of inflation and war inhibited economic recovery. What can be expected is that the epidemic blockade has been gradually lifted, and people's livelihood and economic activities are expected to become normal and active. Therefore, the outlook for 2023 remains positive. The company's internal activities for product development and customer orders are still in accordance with the trend of market product development, and actively invest resources in order to ensure long-term stable growth.

The Company's revenue in parent-company-only basis totaled to NT\$34,251,019 thousand in 2022, increased by 25.76% compared to NT\$27,235,597 thousand in 2021. Net income in parent-company-only basis was NT\$6,976,792 thousand in 2022, increased by 80.79% compared to NT\$3,858,984 thousand in 2021. The Company's consolidated revenue totaled to NT\$41,626,486 thousand in 2022, increased by 24.87% compared to NT\$33,336,442 thousand in 2021. The consolidated net income was NT\$7,933,470 thousand in 2022, increased by 76.61% compared to NT\$4,492,108 thousand in 2021. The operating results are as follows.

(In Thousands of New Taiwan Dollars Except for Earnings Per Share)

Account (In parent-company-only basis)	2022	2021	Growth Rate (%)
Operating revenues	34,251,019	27,235,597	25.76%
Gross profit	11,123,870	6,831,912	62.82%
Operating income	7,106,474	3,367,072	111.06%
Pre-tax income	8,725,094	4,288,143	103.47%
Net income	6,976,792	3,858,984	80.79%
Earnings per share (in NT\$)	15.47	8.56	

(In Thousands of New Taiwan Dollars Except for Earnings Per Share)

Account (In consolidated basis)	2022	2021	Growth Rate (%)
Operating revenues	41,626,486	33,336,442	24.87%
Gross profit	15,868,315	10,753,934	47.56%
Operating income	9,963,585	5,455,775	82.62%
Pre-tax income	10,334,990	5,641,125	83.21%
Net income	7,933,470	4,492,108	76.61%

Net income/loss attributable to:			
Shareholders of the parent	6,976,792	3,858,984	
Non-controlling interests	956,678	633,124	
Earnings per share (In NT\$)	15.47	8.56	

2. Summary of 2022 business plan:

(1) Business Policy

Since the Company's establishment, we have been upholding the principle of "Satisfying Customers and Pursuing for Excellence" as our business policy, developing leadership in technique to meet market demand, mastering new generation product demands, investing engineering resources to stay ahead, and striving for better profit to benefit our shareholders under the intense competition.

The IC packaging substrates industry is developing in several technological directions; For example, multi-chip Wafer, high-integration packages (Chiplet), SiP modules, integrated antenna modules, high-frequency and high-speed applications, thin lines, thinning... etc. The company's R&D department continues to grasp the direction of technological development and customer demands, and will create differentiation with technology and quality to maintain the highest competitiveness.

(2) Expected Sales and Its Sources

According to Prismark research data, between 2021 and 2026, the compound growth rate of the IC substrate market reached 8.3% (Refer to Table I). This is not just demand of ABF substrate products which grow by AI, IoT, HPC, machine learning, automotive applications, 5G/6G infrastructure, etc., in terms of BT substrates, there are AiP, SiP, RF components brought by 5G mobile phones, and broadband memory (High Bandwidth Memory, HBM) which brought by servers, data centers, etc., all drive the growth of the overall demand for IC substrates. The growth of the Company's revenue is based on the growth trends of these product segments, and what needs to be dealt with carefully is the effective allocation of capacity utilization.

(3) Significant Production and Marketing Policy

- A. Strengthen the development of multi-chip packaging technology, and focus on process technology and match the development of high-frequency and high-speed materials to meet the needs of 5G/6G and automotive products.
- B. Expanding the capacity of ABF FC-BGA substrate to match the medium and long-term development needs of multi-layer boards, high-frequency and high-speed.

3. Company development strategy

We will aim at application of slim substrates of ABF-FCBGA and memory and the techniques and products of SiP module and Wafer module in short-term, keeping up with the elemental global semiconductor developing trend of continuously miniature line width, aperture, and thickness in medium term, and developing complicated structural technique of active/passive components and direct wafer bonding in long term. By these development strategies, we are confident that the Company will definitely sustain our competitiveness in product market as well as in the technique.

Chairman:

CEO:

Chief Accountant:

Attachment II

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Kinsus Interconnect Technology Corp.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Consolidated Financial Statements, Parent-company-only Financial Statements and the proposal for distribution of earnings. Among these documentation, the financial statements have been audited by the auditors, Ernst & Young, and the audit reports relating to the Financial Statements have been granted. The Business Report, Financial Statements, and earnings distribution proposal have been reviewed and determined to be fairly presented by the Audit Committee members of Kinsus Interconnect Technology Corp. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit the review report to the Company's shareholders.

Kinsus Interconnect Technology Corp.

Chairman of the Audit Committee: Wu, Hui-Huang

February 13th, 2023

Attachment III

English Translation of an Audit Report Originally Issued in Chinese INDEPENDENT AUDITORS' REPORT

To: the Board of Directors and Shareholders of
Kinsus Interconnect Technology Corp.

Opinion

We have audited the accompanying parent-company-only balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) as of December 31, 2022 and 2021, and the related 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 the summary of significant accounting policies (together referred as “the parent-company-only financial statements”).

In our opinion, based on the results of our audits and the report of other auditors (please refer to the Other Matter—Making Reference to the Audit of a Component Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2022 and 2021, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), 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 the most significance in our audit of parent-company-only financial statements 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.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$34,251,019 thousand for the year ended December 31, 2022 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Among these locations, the Company has established hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition from foreign warehouses with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the parent-company-only financial statements.

Market valuation on Inventory

We determine the market valuation on inventory is one of the key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Company's net inventory amounted to NT\$2,770,717 thousand as of December 31, 2022. As the application market of substrate, the Company's main products, is characterized by rapid development in technology and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), performing observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Notes 5 and 6 to the parent-company-only financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of FuYang Technology Corp., an indirectly invested associate accounted for under the equity method by the Company. The financial statements of FuYang Technology Corp. as of December 31, 2022 and 2021, and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT\$381,123 thousand and NT\$325,005 thousand as of December 31, 2022 and 2021 representing 0.60% and 0.66% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the year then ended amounting to NT\$53,319 thousand and NT\$27,839 thousand representing 0.61% and 0.65% of the Company's income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT\$2,799 thousand and NT\$(1,623) thousand representing 2.87% and 13.16% of the other comprehensive income, are based solely on the audit reports of other auditors.

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

In preparing the parent-company-only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor’s 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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s 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 auditor’s 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 accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Hong, Mao-Yi

Cheng, Ching-Piao

Ernst & Young
February 13th, 2023
Taipei, Taiwan,
Republic of China

Notice to Readers

The accompanying parent-company-only financial statements are intended only to present the parent-company-only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China on Taiwan.

Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Kinsus Interconnect Technology Corp.

Parent-Company-Only Balance Sheets

As of December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2022		2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$12,137,938	19	\$11,947,282	24
1110	Financial assets at fair value through profit or loss	4, 6(2)	540,099	1	537,155	1
1136	Financial assets carried at amortized cost	4, 6(3)	20,057	-	20,057	-
1150	Notes receivable, net	4, 6(4)	11,200	-	4,200	-
1170	Accounts receivable, net	4, 6(5)	4,178,881	7	4,261,313	9
1180	Accounts receivable - related parties, net	4, 6(5), 7	902	-	11,107	-
1200	Other receivables		577,835	1	374,929	1
1210	Other receivables - related parties	7	15,066	-	17,993	-
1310	Inventories, net	4, 6(6)	2,770,717	4	2,277,128	5
1410	Prepayments		626,084	1	459,126	1
1470	Other current assets		203,340	-	169,998	-
11XX	Total current assets		<u>21,082,119</u>	<u>33</u>	<u>20,080,288</u>	<u>41</u>
	Non-current assets					
1550	Investment accounted for under equity method	4, 6(7)	6,135,660	10	5,094,421	10
1600	Property, plant and equipment, net	4, 6(8), 9	24,888,173	39	17,589,569	36
1780	Intangible assets	4, 6(9)	19,762	-	9,854	-
1840	Deferred income tax assets	4, 6(26)	9,593	-	9,593	-
1915	Prepayment for equipment	4, 6(8), 9	11,411,585	18	6,460,598	13
1995	Other non-current assets	6(10), 6(17)	37,745	-	11,695	-
15XX	Total non-current assets		<u>42,502,518</u>	<u>67</u>	<u>29,175,730</u>	<u>59</u>
1XXX	Total Assets		<u>\$63,584,637</u>	<u>100</u>	<u>\$49,256,018</u>	<u>100</u>

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Parent-Company-Only Balance Sheets (Continued)
As of December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2022		2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(11)	\$-	-	\$391,991	1
2130	Contract liability	4, 6(20)	33,923	-	46,315	-
2150	Notes payable		20,420	-	26,319	-
2170	Accounts payable		1,796,782	3	1,789,954	4
2180	Accounts payable - related parties	7	241,659	-	611,152	1
2200	Other payables	6(12), 7	6,918,469	11	5,052,347	10
2230	Current income tax liabilities	4	1,792,657	3	578,424	1
2300	Other current liabilities	6(13)	1,065,121	2	1,392,115	3
2365	Refund liability	6(14)	367,137	-	68,129	-
21XX	Total current liabilities		<u>12,236,168</u>	<u>19</u>	<u>9,956,746</u>	<u>20</u>
	Non-current liabilities					
2527	Contract liability	4, 6(20)	2,441,184	4	-	-
2540	Long-term loans	6(15)	9,683,274	15	8,414,790	17
2570	Deferred income tax liabilities	4, 6(26)	-	-	355	-
2600	Other non-current liabilities	4, 6(16), 6(17)	4,902,311	8	1,814,795	4
25XX	Total non-current liabilities		<u>17,026,769</u>	<u>27</u>	<u>10,229,940</u>	<u>21</u>
2XXX	Total liabilities		<u>29,262,937</u>	<u>46</u>	<u>20,186,686</u>	<u>41</u>
	Capital					
3100	Capital	6(18)				
3110	Common stock		4,527,761	7	4,508,441	9
3200	Capital surplus	6(18)	6,860,826	11	6,633,051	13
3300	Retained earnings	6(18)				
3310	Legal reserve		4,087,701	6	3,700,821	8
3320	Special reserve		203,108	-	181,016	-
3350	Unappropriated earnings		18,826,225	30	14,249,110	29
3400	Other components of equity		(183,871)	-	(203,107)	-
3500	Treasury Stock	6(18)	(50)	-	-	-
3XXX	Total equity		<u>34,321,700</u>	<u>54</u>	<u>29,069,332</u>	<u>59</u>
	Total liabilities and equity		<u>\$63,584,637</u>	<u>100</u>	<u>\$49,256,018</u>	<u>100</u>

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Parent-Company-Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(20), 7	\$34,251,019	100	\$27,235,597	100
5000	Operating costs	7	(23,127,149)	(67)	(20,403,685)	(75)
5900	Gross profit		11,123,870	33	6,831,912	25
6000	Operating expenses	7				
6100	Sales and marketing		(376,186)	(1)	(313,834)	(2)
6200	General and administrative		(1,930,473)	(6)	(1,466,126)	(5)
6300	Research and development		(1,698,340)	(5)	(1,687,108)	(6)
6450	Expected credit gains (losses)	4, 6(21)	(12,397)	-	2,228	-
	Total operating expenses		(4,017,396)	(12)	(3,464,840)	(13)
6900	Operating income		7,106,474	21	3,367,072	12
7000	Non-operating income and expenses					
7100	Interest income	6(24)	50,416	-	24,950	-
7010	Other income	6(24), 7	156,584	-	186,772	1
7020	Other gains and losses	6(24), 7	140,608	-	44,434	-
7050	Finance costs	6(24)	(123,381)	-	(62,241)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures		1,394,393	4	727,156	3
	Total non-operating income and expenses		1,618,620	4	921,071	4
7900	Income before income tax		8,725,094	25	4,288,143	16
7950	Income tax expense	4, 6(26)	(1,748,302)	(5)	(429,159)	(2)
8200	Net income		6,976,792	20	3,858,984	14
8300	Other comprehensive income (loss)	6(25)				
8310	Items that not be reclassified subsequently to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		42,519	-	9,757	-
8360	Items that may be reclassified subsequently to profit or loss					
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		55,169	-	(22,092)	-
	Total other comprehensive income, net of tax		97,688	-	(12,335)	-
8500	Total comprehensive income		\$7,074,480	20	\$3,846,649	14
9750	Earnings per share - basic (in NT\$)	6(27)	\$15.47		\$8.56	
9850	Earnings per share - diluted (in NT\$)	6(27)	\$15.07		\$8.51	

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

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

Kinsus Interconnect Technology Corp.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Common Stock 3100	Capital Surplus 3200	Retained Earnings			Other Components of equity		Treasury Stock 3500	Total Equity 3XXX
				Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange differences arising on translation of foreign operations 3410	Unearned Employee Benefit 3490		
A1	Balance as of January 1, 2021	\$4,508,625	\$6,632,030	\$3,647,505	\$183,405	\$10,882,082	\$(181,015)	\$(2,837)	\$(143)	\$25,669,652
	Appropriation and distribution of 2020 earnings									
B1	Legal reserve			53,316		(53,316)				-
B3	Special reserve				(2,389)	2,389				-
B5	Cash dividends - common shares					(450,847)				(450,847)
D1	Net income for 2021					3,858,984				3,858,984
D3	Other comprehensive income (loss) for 2021					9,757	(22,092)			(12,335)
D5	Total comprehensive income (loss)	-	-	-	-	3,868,741	(22,092)	-	-	3,846,649
H3	Reorganization		1			(1)				-
T1	Employee restricted shares for cancellation and others	(184)	1,020			62		2,837	143	3,878
Z1	Balance as of December 31, 2021	4,508,441	6,633,051	3,700,821	181,016	14,249,110	(203,107)	-	-	29,069,332
	Appropriation and distribution of 2021 earnings									
B1	Legal reserve			386,880		(386,880)				-
B3	Special reserve				22,092	(22,092)				-
B5	Cash dividends - common shares					(2,028,798)				(2,028,798)
D1	Net income for 2022					6,976,792				6,976,792
D3	Other comprehensive income (loss) for 2022					42,519	55,169			97,688
D5	Total comprehensive income (loss)	-	-	-	-	7,019,311	55,169	-	-	7,074,480
H3	Reorganization		1,435			(1,645)				(210)
M5	Difference between consideration given / received and carrying amount of interest in subsidiaries acquired / disposed of		(292)			(2,781)				(3,073)
N1	Share-based payment transaction		498							498
T1	Employee restricted shares for cancellation and others	19,320	226,134					(35,933)	(50)	209,471
Z1	Balance as of December 31, 2022	<u>\$4,527,761</u>	<u>\$6,860,826</u>	<u>\$4,087,701</u>	<u>\$203,108</u>	<u>\$18,826,225</u>	<u>\$(147,938)</u>	<u>\$(35,933)</u>	<u>\$(50)</u>	<u>\$34,321,700</u>

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

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

Kinsus Interconnect Technology Corp.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021	Code	Items	2022	2021
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$8,725,094	\$4,288,143	B00040	Decrease (increase) in financial assets measured at amortized cost	59,980	403,000
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(15,342,080)	(11,321,907)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	166,421	51,329
A20100	Depreciation	3,696,551	3,205,377	B03800	Decrease (increase) in refundable deposits	4,449	21,065
A20200	Amortization	49,923	38,003	B04500	Acquisition of intangible assets	(59,831)	(24,913)
A20300	Expected credit losses (gain on recovery)	12,397	(2,228)	BBBB	Net cash provided by (used in) investing activities	(15,171,061)	(10,871,426)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(2,944)	(1,554)				
A20900	Interest expense	123,381	62,241	CCCC	Cash flows from financing activities:		
A21200	Interest income	(50,416)	(24,950)	C00100	Increase in (repayment of) short-term loans	(391,991)	(1,316,374)
A21300	Dividend income	360,000	-	C01600	Increase in long-term loans	3,240,000	7,119,820
A21900	Cost of share based payment	47,882	3,836	C01700	Repayment of long-term loans	(1,493,885)	(1,148,482)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(1,394,393)	(727,156)	C03000	Increase (decrease) in deposits received	3,078,618	1,744,029
A22500	Loss (gain) on disposal of property, plant and equipment	(27,085)	(19,982)	C04500	Cash dividends	(2,028,798)	(450,847)
A23100	Loss (gain) on disposal of investment	6,650	-	C04600	Proceeds from issuing shares	165,379	-
A29900	Gain on government grants	(14,172)	(8,239)	CCCC	Net cash provided by (used in) financing activities	2,569,323	5,948,146
A29900	Loss from fire	2,526	-				
A30000	Changes in operating assets and liabilities:			EEEE	Net Increase (decrease) in cash and cash equivalents	190,656	2,727,573
A31110	Financial assets at fair value through P/L	-	479,820	E00100	Cash and cash equivalents at beginning of period	11,947,282	9,219,709
A31130	Notes receivable	(7,000)	(3,018)	E00200	Cash and cash equivalents at end of period	\$12,137,938	\$11,947,282
A31150	Accounts receivable	70,035	(1,123,840)				
A31160	Accounts receivable - related parties	10,205	(11,107)				
A31180	Other receivables	(200,159)	(262,541)				
A31190	Other receivables - related parties	2,927	(4,070)				
A31200	Inventories	(493,589)	(275,853)				
A31230	Prepayments	(251,168)	(297,518)				
A31240	Other current assets	(33,342)	(80,943)				
A32125	Contract liabilities	1,686,230	28,808				
A32130	Notes payable	(5,899)	(19,547)				
A32150	Accounts payable	6,828	295,572				
A32160	Accounts payable - related parties	(369,493)	369,749				
A32180	Other payables	1,177,258	973,342				
A32230	Other current liabilities	(45,740)	782,885				
A32240	Net defined benefit liability	(4,239)	(4,350)				
A32990	Refund liability	299,008	(2,475)				
A33000	Cash generated from (used in) operations	13,377,256	7,658,405				
A33200	Interest received	47,669	25,429				
A33300	Interest paid	(98,107)	(47,498)				
A33500	Income tax paid	(534,424)	14,517				
AAAA	Net cash provided by (used in) operating activities	12,792,394	7,650,853				

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

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Kinsus Interconnect Technology Corp. as of December 31, 2022 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Kinsus Interconnect Technology Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Kinsus Interconnect Technology Corp.

By

Liao, Sih-Jheng

Chairman

February 13th, 2023

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
Kinsus Interconnect Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) and its subsidiaries as of December 31, 2022 and 2021, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred as “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditor (please refer to the Other Matter – Making Reference to the Audit of a Component Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), 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 2022 consolidated financial statements. 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.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$42,441,054 thousand (including revenue from discontinued operations amounting to NT\$814,568 thousand) for the year ended December 31, 2022 is a significant account to the Company's consolidated financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Among these locations, the Company has established hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition from foreign warehouses with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the consolidated financial statements.

Market valuation on Inventory

We determined the market valuation on inventory is one of the key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Company's net inventory amounted to NT\$3,480,943 thousand as of December 31, 2022. As the application market of substrate, the Company's main products, is characterized by rapid development in technology and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), performing observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Notes 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of FuYang Technology Corp., an invested associate accounted for under the equity method. The financial statements of FuYang Technology Corp. as of December 31, 2022 and 2021 and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT\$381,123 thousand and NT\$325,005 thousand as of December 31, 2022 and 2021 representing 0.53% and 0.56% of the Company's consolidated total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT\$ 53,319 thousand and NT\$27,839 thousand representing 0.53% and 0.54% of the Company's consolidated income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT\$2,799 thousand and NT\$(1,623) thousand representing 2.72% and 6.69% of the consolidated other comprehensive income, are based solely on the audit reports of other auditors.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2022 and 2021.

Hong, Mao-Yi

Cheng, Ching-Piao

Ernst & Young
February 13th, 2023
Taipei, Taiwan,
Republic of China

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2022 and 2021
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2022		As of December 31, 2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$16,684,198	23	\$15,332,027	26
1110	Financial assets at fair value through profit or loss	4, 6(2)	1,218,551	2	616,080	1
1136	Financial assets carried at amortized cost	4, 6(3)	20,057	-	20,057	-
1150	Notes receivable, net	4, 6(5)	11,200	-	4,200	-
1170	Accounts receivable, net	4, 6(6)	5,035,681	7	5,648,004	10
1180	Accounts receivable - related parties, net	6(6), 7	2,924	-	26,311	-
1200	Other receivables		606,035	1	406,415	1
1210	Other receivables - related parties	7	-	-	367	-
1310	Inventories, net	4, 6(7)	3,480,943	5	3,465,944	6
1410	Prepayments	7	659,751	1	532,717	1
1470	Other current assets		380,949	-	372,182	-
11xx	Total current assets		28,100,289	39	26,424,304	45
	Non-current assets					
1517	Financial asset at fair value through OCI	4, 6(4)	51,000	-	51,000	-
1550	Investment accounted for under equity method	4, 6(8)	381,123	1	325,005	1
1600	Property, plant and equipment, net	4, 6(9), 7, 8, 9	31,552,538	43	24,413,455	42
1755	Right-of-use asset	4, 6(23)	517,233	1	353,295	1
1780	Intangible assets	4, 6(10)	48,023	-	33,218	-
1840	Deferred income tax assets	4, 6(27)	27,386	-	23,053	-
1900	Other non-current assets	6(11), 6(18) 7, 8	119,314	-	91,805	-
1915	Prepayment for acquiring machinery	6(9), 9	11,836,510	16	6,671,013	11
15xx	Total non-current assets		44,533,127	61	31,961,844	55
1xxx	Total Assets		\$72,633,416	100	\$58,386,148	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Balance Sheets-(Continued)
As of December 31, 2022 and 2021
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2022		As of December 31, 2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12)	\$376,620	-	\$1,099,846	2
2130	Contract liability	4, 6(21)	112,683	-	111,350	-
2150	Notes payable		24,330	-	28,636	-
2170	Accounts payable		2,148,750	3	2,886,877	5
2200	Other payables	6(13), 7	8,624,862	12	7,234,272	13
2230	Current income tax liabilities	4	1,926,949	3	754,071	1
2280	Lease liability	4, 6(23)	132,253	-	52,396	-
2300	Other current liabilities	6(14)	1,481,521	2	1,634,143	3
2365	Refund liability	4, 6(15)	545,781	1	181,108	-
21xx	Total current liabilities		15,373,749	21	13,982,699	24
	Non-current liabilities					
2527	Contract liability	4, 6(21)	2,441,184	4	-	-
2540	Long-term loans	6(16), 8	10,770,014	15	9,387,273	16
2570	Deferred income tax liabilities	4, 6(27)	37,335	-	26,016	-
2580	Lease liability	4, 6(23)	231,107	-	109,107	-
2600	Other non-current liabilities	6(17)	4,964,134	7	1,891,955	3
25xx	Total non-current liabilities		18,443,774	26	11,414,351	19
2xxx	Total liabilities		33,817,523	47	25,397,050	43
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(19)				
3110	Common stock		4,527,761	6	4,508,441	8
3200	Capital surplus	6(19)	6,860,826	9	6,633,051	11
3300	Retained earnings	6(19)				
3310	Legal reserve		4,087,701	5	3,700,821	6
3320	Special reserve		203,108	1	181,016	-
3350	Unappropriated earnings		18,826,225	26	14,249,110	25
3400	Other components of equity		(183,871)	-	(203,107)	-
3500	Treasury Stock	6(19)	(50)	-	-	-
36xx	Non-controlling interests	6(19)	4,494,193	6	3,919,766	7
3xxx	Total equity		38,815,893	53	32,989,098	57
	Total liabilities and equity		\$72,633,416	100	\$58,386,148	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2022		2021 (After restatement)	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(21), 7	\$41,626,486	100	\$33,336,442	100
5000	Operating costs		(25,758,171)	(62)	(22,582,508)	(68)
5900	Gross profit		15,868,315	38	10,753,934	32
6000	Operating expenses	7				
6100	Sales and marketing		(917,787)	(2)	(923,627)	(3)
6200	General and administrative		(2,499,697)	(6)	(1,955,082)	(6)
6300	Research and development		(2,481,707)	(6)	(2,412,619)	(7)
6450	Expected credit gains (losses)	4, 6(22)	(5,539)	-	(6,831)	-
	Total operating expenses		(5,904,730)	(14)	(5,298,159)	(16)
6900	Operating income		9,963,585	24	5,455,775	16
7000	Non-operating incomes and expenses					
7100	Interest income	6(25)	81,585	-	33,408	-
7010	Other incomes	6(25), 7	186,576	-	202,883	1
7020	Other gains or losses	6(25), 7	196,456	1	(10,846)	-
7050	Finance costs	6(25)	(146,531)	-	(67,934)	-
7060	Share of the profit or loss of associates and joint ventures	6(8)	53,319	-	27,839	-
	Total non-operating incomes and expenses		371,405	1	185,350	1
7900	Income before income tax		10,334,990	25	5,641,125	17
7950	Income tax expense	4, 6(27)	(2,158,404)	(5)	(671,803)	(2)
8000	Profit from continuing operations		8,176,586	20	4,969,322	15
8100	Income (loss) from discontinued operations					
8101	Loss from discontinued operations	4, 12(11)	(243,116)	(1)	(477,214)	(1)
8200	Net income		7,933,470	19	4,492,108	14
8300	Other comprehensive income (loss)	6(26)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		42,519	-	9,757	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		57,556	-	(32,403)	-
8370	Share of the other comprehensive income (loss) of associates and joint ventures		2,799	-	(1,623)	-
	Total other comprehensive income (loss), net of tax		102,874	-	(24,269)	-
8500	Total comprehensive income		\$8,036,344	19	\$4,467,839	14
8600	Net income attributable to:					
8610	Shareholders of the parent					
	Continuing operations		\$7,100,781	17	\$4,102,363	12
	Discontinued operations		(123,989)	-	(243,379)	-
	Net income attributable to Parent		6,976,792	17	3,858,984	12
8620	Non-controlling interests					
	Continuing operations		1,075,805	2	866,959	3
	Discontinued operations		(119,127)	-	(233,835)	(1)
	Net income attributable to Non-controlling interests		956,678	2	633,124	2
			\$7,933,470	19	\$4,492,108	14
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$7,074,480	17	\$3,846,649	12
8720	Non-controlling interests		961,864	2	621,190	2
			\$8,036,344	19	\$4,467,839	14
9750	Earnings per share-basic (in NTD)	6(28)				
9710	Basic earnings per share from continuing operations		\$15.74		\$9.10	
9720	Basic loss per share from discontinued operations		\$(0.27)		\$(0.54)	
9850	Earnings per share-diluted (in NTD)	6(28)				
9810	Diluted earnings per share from continuing operations		\$15.34		\$9.05	
9820	Diluted loss per share from discontinued operations		\$(0.27)		\$(0.54)	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity	
		Common Stock	Capital Surplus	Retained Earnings			Others		Treasury Stock			Total
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unearned Employee Benefit				
		3100	3200	3310	3320	3350	3410	3490	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2021	\$4,508,625	\$6,632,030	\$3,647,505	\$183,405	\$10,882,082	\$(181,015)	\$(2,837)	\$(143)	\$25,669,652	\$3,519,907	\$29,189,559
	Appropriation and distribution of 2020 earnings											
B1	Legal reserve			\$53,316		\$(53,316)				-		-
B3	Special reserve				(2,389)	2,389				-		-
B5	Cash dividends-common shares					(450,847)				(450,847)		(450,847)
D1	Net income for 2021					3,858,984				3,858,984	633,124	4,492,108
D3	Other comprehensive income (loss), net of tax, for 2021					9,757	(22,092)			(12,335)	(11,934)	(24,269)
D5	Total comprehensive income (loss)	-	-	-	-	3,868,741	(22,092)	-	-	3,846,649	621,190	4,467,839
H3	Reorganization		1			(1)				-		-
O1	Non-controlling interests increase (decrease)									-	(221,331)	(221,331)
T1	Employee restricted shares for cancellation and others	(184)	1,020			62		2,837	143	3,878		3,878
Z1	Balance as of December 31, 2021	4,508,441	6,633,051	3,700,821	181,016	14,249,110	(203,107)	-	-	29,069,332	3,919,766	32,989,098
	Appropriation and distribution of 2021 earnings											
B1	Legal reserve			386,880		(386,880)				-		-
B3	Special reserve				22,092	(22,092)				-		-
B5	Cash dividends-common shares					(2,028,798)				(2,028,798)		(2,028,798)
D1	Net income for 2022					6,976,792				6,976,792	956,678	7,933,470
D3	Other comprehensive income (loss), net of tax, for 2022					42,519	55,169			97,688	5,186	102,874
D5	Total comprehensive income (loss)	-	-	-	-	7,019,311	55,169	-	-	7,074,480	961,864	8,036,344
H3	Reorganization		1,435			(1,645)				(210)	(5,554)	(5,764)
M5	Difference between consideration and carrying amount of subsidiaries aquired or disposed		(292)			(2,781)				(3,073)	10,130	7,057
N1	Share-based payments		498							498		498
O1	Non-controlling interests increase (decrease)									-	(392,013)	(392,013)
T1	Employee restricted shares for cancellation and others	19,320	226,134					(35,933)	(50)	209,471		209,471
Z1	Balance as of December 31, 2022	\$4,527,761	\$6,860,826	\$4,087,701	\$203,108	\$18,826,225	\$(147,938)	\$(35,933)	\$(50)	\$34,321,700	\$4,494,193	\$38,815,893

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021	Code	Items	2022	2021
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$10,334,990	\$5,641,125	B00040	Decrease (increase) in financial assets measured at amortized cost	-	447,110
A00020	Loss from discontinued operations before tax	(243,116)	(477,214)	B02700	Acquisition of property, plant and equipment	(17,093,642)	(13,383,710)
A10000	Income before income tax	10,091,874	5,163,911	B02800	Proceeds from disposal of property, plant and equipment	496,477	60,079
A20000	Adjustments:			B03800	Decrease (increase) in refundable deposits	2,990	29,116
A20010	Income and expense adjustments:			B04500	Acquisition of intangible assets	(84,096)	(47,652)
A20100	Depreciation (including right-of-use assets)	5,038,962	4,330,894	B09900	Proceeds from right-of-use assets	143,540	-
A20200	Amortization	68,116	46,518	BBBB	Net cash provided by (used in) investing activities	(16,534,731)	(12,895,057)
A20300	Expected credit losses	23,441	6,835				
A20400	Net gain of financial assets at fair value through P/L	(3,773)	(1,939)	CCCC	Cash flows from financing activities:		
A20900	Interest expense	183,655	81,133	C00100	Increase in (repayment of) short-term loans	(723,226)	(1,540,461)
A21200	Interest income	(83,239)	(34,396)	C01600	Increase in long-term loans	3,551,153	7,663,644
A21900	Cost of share based payment	49,673	3,836	C01700	Repayments of long-term loans	(1,648,515)	(1,148,482)
A22300	Share of profit or loss of associates and joint ventures	(53,319)	(27,839)	C03000	Increase (decrease) in deposits received	3,063,848	1,747,172
A22500	Gain on disposal of property, plant and equipment	(229,399)	(18,739)	C04020	Cash payments for the principal portion of the lease liability	(117,882)	(50,176)
A23700	Impairment loss on non-financial assets	40,759	32,785	C04500	Cash dividends paid	(2,028,798)	(450,847)
A29900	Gain on lease modification	(101,434)	(710)	C04600	Proceeds from issuing shares	165,379	-
A29900	Gain on government grants	(14,574)	(8,457)	C05800	Increase (decrease) in non-controlling interests	(392,013)	(221,331)
A29900	Loss from fire	2,526	-	CCCC	Net cash provided by (used in) financing activities	1,869,946	5,999,519
A30000	Changes in operating assets and liabilities:						
A31110	Financial assets at fair value through P/L	(598,698)	979,922	DDDD	Effect of exchange rate changes	56,000	(11,798)
A31130	Notes receivable	(7,000)	(3,018)				
A31150	Accounts receivable	588,281	(1,277,678)	EEEE	Increase (decrease) in cash and cash equivalents	1,352,171	3,667,095
A31160	Accounts receivable - related parties	23,387	(1,449)	E00100	Cash and cash equivalents at beginning of period	15,332,027	11,664,932
A31180	Other receivables	(187,330)	(265,847)	E00200	Cash and cash equivalents at end of period	\$16,684,198	\$15,332,027
A31190	Other receivables - related parties	367	3,747				
A31200	Inventories	(14,999)	(576,927)				
A31230	Prepayments	(211,244)	(319,975)				
A31240	Other current assets	(8,767)	(84,586)				
A32125	Contract liabilities	1,699,955	(50,381)				
A32130	Notes payable	(4,306)	(17,784)				
A32150	Accounts payable	(738,127)	528,072				
A32180	Other payables	1,134,532	1,497,003				
A32230	Other current liabilities	(29,392)	827,790				
A32240	Net defined benefit liability	(4,239)	(4,350)				
A32990	Refund liability	364,673	(25,409)				
A33000	Cash generated from (used in) operations	17,020,361	10,782,962				
A33100	Interest received	70,948	34,986				
A33300	Interest paid	(151,377)	(65,126)				
A33500	Income tax paid	(978,976)	(178,391)				
AAAA	Net cash provided by (used in) operating activities	15,960,956	10,574,431				

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

Attachment IV

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

Kinsus Interconnect Technology Corp.
Earnings Distribution Proposal
For The Year Ended December 31, 2022

Item	Amount (In: NT\$)
Beginning retained earnings	\$11,811,340,249
Add: Other comprehensive income (loss) in 2022	
-Actuarial gain/loss of defined benefit	42,518,971
Less: Adjustment of reorganization	(1,645,086)
Less: Difference between consideration and carrying amount of subsidiaries acquired or disposed	(2,780,956)
Add: Net income after tax in 2022	6,976,792,379
Less: 10% legal reserve	(701,488,531)
Add: Reversal of Special reserve	55,168,961
Distributable earnings	18,179,905,987
Distributions	
Less: Cash dividend to shareholders (NT\$6.5 per share)	(2,943,011,890)
Unappropriated retained earnings	<u>\$15,236,894,097</u>

Chairman:

CEO:

Chief Accountant:

Appendix I

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

Kinsus Interconnect Technology Corp. Rules of Procedure for Shareholder Meetings

Article 1

Unless otherwise required by laws and regulations, the shareholders meeting of the Company shall be held in accordance with these Rules.

Article 2

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares present shall be calculated based on the attendance sheet or the attendance cards delivered.

Article 3

The attendance and voting at the shareholders' meeting shall be calculated based on the shares.

Article 4

The place of the shareholders meeting shall be at the office of the Company or at a location convenient to the shareholders and suitable for convening a shareholders meeting. The time of the meeting may not be earlier than 9 a.m. or later than 3 p.m.

Article 4-1

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

Article 5

When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or is unable to exercise the duties for certain reasons, the vice-Chairman shall act on his/her behalf. If the vice-Chairman is absent or is unable to exercise the duties for certain reasons, the Chairman may designate the managing director to act on his/her behalf; if there is no managing director, one of the directors may be designated to act on his/her behalf. Where the Chairman does not designate a proxy, the managing director or directors may elect a person among themselves to act on behalf of the Chairman. When the shareholders meeting was convened by other persons who have the convening right, the shareholders' meeting shall be presided by the convener. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

Article 6

The Company may designate the attorneys, accountants or relevant personnel engaged to present in the shareholders meeting. The staffs handling the shareholders meeting shall wear identification cards or arm-band.

Article 7

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8

Upon the starting time of the meeting, the chairman shall order the meeting to begin. However, where the shareholders present represent half or less than half of the total outstanding shares, the chairman may postpone the meeting for a total of two times. The postponed time may not in total exceed one hour. Where after two postponements, the shareholders present still do not meet the quorum but represent one-third or more of the total outstanding shares, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act. If the shares present represent more than half of the total outstanding shares before the end of the meeting, the chairman may propose the tentative resolution to the shareholders meeting for voting in accordance with Article 174 of the Company Act.

Article 9

If the shareholders meeting is convened by the Board of Directors, its agenda shall be stipulated by the Board of Directors, and the meeting shall be held in accordance with the agenda and may not be changed without the resolution of the shareholders meeting. When the shareholders meeting was convened by other persons who have the convening right, the above paragraph shall apply mutatis mutandis. Before the closing of the discussions (including provisional motions) stipulated in the agenda under the above two paragraphs, the chairman may not announce the adjournment of the meeting without resolution. After the adjournment of the meeting, the shareholders may not elect a chairman to continue the meeting at the original address or at another location.

Article 10

Before a shareholder makes a statement, he/she must complete a statement slip stating the subject of the statement, the shareholder number (or attendance card number) and shareholder name, and the chairman shall determine the order of his/her statement. Where a shareholder present only completed a statement slip but did not make a statement, he/she will be deemed to not have made a statement. Where the statement made is inconsistent with that stated on the statement slip, the statement made will prevail. When a shareholder present makes a statement, the other shareholders may not make a statement and interfere, unless consent is obtained from the chairman and the shareholder making the statement. The chairman shall restrain such interfering shareholder.

Article 11

For each proposal, a shareholder may not make more than two statements, unless consent is obtained from the chairman. Each statement may not exceed five minutes. The chairman may restrain the shareholder from making the statement if he/she violates the above provisions or has exceeded the scope of the proposal.

Article 12

Where an institution is delegated to attend the shareholders meeting, it may only appoint one representative to attend. Where the institution appoints two or more representatives to attend the shareholders meeting, only one person may make a statement for each proposal.

Article 13

After a shareholder makes a statement, the chairman may respond him/herself or designate a relevant person to respond.

Article 14

Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion and propose that votes be made.

Article 15

If the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

Article 16

The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes and the numbers of votes with which they were elected, shall be announced on-site at the meeting, and a record made of the vote.

Article 17

During the meeting, the chairman may announce recesses at his/her own discretion.

Article 18

Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present.

Article 19

When a proposal has an amendment or a replacement, the chairman may combine it with the original proposal and determine the order of resolution. If one of the proposals is resolved, the other proposals will be deemed as rejected and there is no need to make another resolution.

Article 20

The chairman may instruct the security officer to assist in maintaining the order of the meeting. The security officer shall wear an arm-band with the word "Security" when assisting in the maintenance of the order of the meeting.

Article 21

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Article 22

These Rules and Procedures of Shareholders' Meeting were made on June 28, 2003. The first amendment was on June 17, 2013.

Appendix II

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

Articles of Incorporation of Kinsus Interconnect Technology Corp.

CHAPTER I GENERAL PROVISIONS

Article 1

This Company is incorporated under the Company Act, with the name of KINSUS INTERCONNECT TECHNOLOGY CORP, and the English name of KINSUS INTERCONNECT TECHNOLOGY CORP.

Article 2

The business scope of the Company is as following:

1. CC01080 Electronic Parts and Components Manufacturing
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. I103060 Management consultation
5. CQ01010 Die Manufacturing
6. CC01990 Electrical Machinery, Supplies Manufacturing
7. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
8. F401010 International Trade
9. C801010 Basic Industrial Chemical Manufacturing
10. ZZ99999 All business items that are not prohibited or restricted by laws and regulations, except for those subject to special approval.

Article 3

The Company has its head office in Taoyuan City, and the Company may establish branches in and out of this country.

Article 4

The method of the public announcement of the Company shall be made in accordance with Article 28 of the Company Act.

CHAPTER II SHARES

Article 5

The authorized capital of the Company is NTD 6,000,000,000, divided into 600,000,000 shares, at a par value of NTD 10 per share. The shares may be issued in installments, and the shares which have not been issued would be issued in installments pursuant to the resolution of board of directors. The registered capital keeps NTD 300,000,000 divided into 30,000,000 shares provided for exercise of the option of stock option certificates, preferred shares with warrants and warrants attached to corporate bonds, which may be issued in installments pursuant to the resolution of board of directors.

Article 5-1

When the Company transfer to the employees at a price lower than the average price of the actual bought-back shares, or lower than “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” exercise price issue employee stock warrants, it shall be resolved by two-thirds of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares.

Article 5-2

The company of reward tools include stock repurchase, qualification requirements of employees, an issuance of new shares and shares of restricted stock for employees with Company Act and Securities and Exchange Act. Qualification requirements of employees, and subscription by employees including the employees of parents or subsidiaries of the company meeting certain specific requirements, provide for the board of directors.

Article 6

Share certificates of the Company shall be in registered form, signed or sealed by directors representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. The issued shares may be exempted from printing any share certificate, provided that such issuance shall register the issued shares with a centralized securities depository enterprise agency and follow the regulations of that agency.

Article 7

The shareholders of the Company shall conduct shares related affairs or exercise other relevant rights in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies unless the laws, regulations or securities regulation rules provide otherwise.

Article 8

The shareholders' register shall be closed during 60 days prior to the date of an ordinary shareholders' meeting, 30 days prior to the date of an extraordinary shareholders' meeting, or five days period prior to the record dates for distribution of dividends, bonuses or other benefits of the Company.

CHAPTER III SHAREHOLDER'S MEETING

Article 9

The shareholders' meeting of the Company is as following :

1. Ordinary shareholders' meeting shall be convened within six months after close of each fiscal year by the branches.
2. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations.

Article 9-1

When the Company's shareholders' meeting is held, it can be held by means of physical shareholder meeting, visual communication network (including pure video shareholders' meeting and video-assisted shareholders' meeting) or other methods promulgated by the central competent authority. It shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

Article 10

When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent, the Chairman may designate one of the directors to act on his/her behalf. Where the Chairman does not designate a proxy, the directors may elect a person among themselves to act as the chairman of the meeting. When the shareholders meeting was convened by other persons who has the convening right, the shareholders' meeting shall be presided by the convener. When there are two or more conveners, the conveners shall elect among themselves to act as the chairman of the meeting.

Article 11

A notice to convene an ordinary meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice to convene an extraordinary meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. Such notice shall specify the meeting date, meeting venue, and proposed matters and be sent to the shareholders in writing.

Article 12

When a shareholder for any reasons cannot attend the shareholders' meeting in person, he/she/it may attend the meeting by proxy by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

Article 13

Except in the circumstances set forth in the Company Act where there is no voting right for a share, each shareholder of the Company shall have one vote for each share held.

Article 14

Unless otherwise specified in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present in person or through proxy, who represent more than one-half of the total number of voting shares. When the shareholders meeting was convened by the Board of Directors, it shall be handled in accordance with Article 183 of the Company Act.

CHAPTER IV DIRECTORS, AUDIT COMMITTEE AND MANAGERS

Article 15

The Company set up seven to eleven directors with three-year term in adopting the system of nominating candidates. The shareholders elect the directors from the list of candidates and the directors can be re-elected for next term.

During the directors' term, the Company shall buy enough insurance for all its directors to cover the legal liability that might incur in mal-practice of its Company's business.

The board meeting is authorized to resolve the remuneration for the executive directors, no matter the Company makes profit or not, based on the degree of their participation and contribution to the Company's operations in reference to the industry level.

Article 15-1

The Company may have independent directors within the aforementioned number of directors and the number of independent directors shall be no less than one-fifth of the total number of directors and shall not be less than two. The election of independent directors shall adopt the candidate nomination system, and the shareholders shall elect the independent directors from the list of the candidates of the independent directors. The professional qualifications, shareholdings, restrictions on concurrent position, nomination, and other compliance matters shall be handled in accordance with relevant regulations of the securities authorities.

Article 15-2

Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of Independent Directors.

Article 15-3

The board of directors of a company may have any other functional committees.

Any other functional committees shall establish exercise power rules and be enforced after resolving them in the board of directors.

Article 16

The board of directors is composed of directors. The functions and responsibilities of the board of directors shall be as follows:

1. To determine the business plans and financial statements,
2. To propose distribution of profit or appropriation of losses,
3. To propose capital increase or decrease,
4. To enact important rules and organizational regulations of the Company,
5. To engage and terminate the general manager and principal manager of the Company,
6. To determine the establishment and winding-up of branches,
7. To produce the budget and the final accounts, and
8. To delegated other duties authorized by the Company Act or the resolution of the shareholders' meeting(s).

Article 17

The Chairman will be elected from among directors by a majority vote at a board meeting at which at least two-thirds (2/3) of directors are present. The Chairman shall be the representative of the Company externally.

Article 18

Convening the board meeting shall be handled in accordance with Article 204 of the Company Act. In order to convene the board meeting, notice may be made by written notice, e-mail or fax. Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 19

The Chairman will preside at the board meetings. If the Chairman is on leave or unable to perform his/her duties, the Chairman may designate one of the directors to act on his/her behalf. Where the Chairman does not designate a proxy, the directors may elect a person among themselves to act as the chairman of the meeting. The directors shall personally attend the board meeting, and if the directors cannot attend the board meeting for certain reasons, he/she may appoint another director as his/her proxy. The board meeting may be convened via video conference, and the directors who attend the board meeting via video conference shall be deemed to have attended the meeting in person. The Chairman appoint another director as his/her proxy each time with a power of attorney stating the scope of authority with reference to the subjects to be discussed at the meeting and powers granted; provided that a director may act as the proxy for only one another director.

Article 20

The authority of the Audit Committee and the other compliance issues shall be made according to the Securities and Exchange Act and other relevant laws and regulations.

Article 21

The Company may have various managers. The appointment, discharge and the remuneration of the managers shall be handled in accordance with Article 29 of the Company Act.

CHAPTER V ACCOUNTING

Article 22

The fiscal year of the Company commences from January 1 to December Final accounts shall be handled at the end of each fiscal year.

Article 23

After the end of each fiscal year, the following documents and statements should be approved by the board of directors, and then submit the same to the ordinary shareholders' meeting for recognition:

1. Business Report,
2. Financial Statements, and
3. Proposal for distribution of profit or appropriation of losses.

Article 24

The Company, if making profits in current year, shall provide the ratio of employee compensation to “income before tax and the employee and directors’ compensation to be provided” at less than 10% and the ratio of directors’ compensation to “income before tax and the employee and directors’ compensation to be provided” at be more than 1%, provided that all accumulated deficits, if any, are fully offset.

The employees’ compensation can be distributed in cash or stocks. The employees receiving the stock dividends may include employees in affiliated or control companies who met certain conditions stipulated by the Board of Directors authorized.

Employee and directors’ compensation are to report in the shareholders’ meeting.

Article 24-1

The Company, if making profits in current year, shall distribute the earnings in the following order:

1. Payment of all taxes and dues;
2. Offset prior years’ operation losses;
3. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve; However, when the statutory surplus reserve has reached the company's paid-in capital, this limitation is not applicable;
4. Set aside or reverse special reserve in accordance with law and regulations;
5. The remaining portion after the above-mentioned, accounted for as distributable earnings from current year, plus the undistributed earnings from prior years, i.e. accumulated distributable earnings, can be distributed to shareholders based on the proposal submitted by the board and approved by shareholders. If any, will be recommended by the Board of Directors and resolved in the shareholders’ meeting.

To authorize the distributable dividends and bonuses or all or part of statutory surplus reserve and capital reserve in whole may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition thereto a report of such distribution shall be submitted to the shareholders’ meeting.

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, dividend policy aims for a steady balance. Shareholder extra dividend each year cannot be less than 10% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.

ARTICLE VI SUPPLEMENTARY PROVISIONS

Article 25

The Company is allowed to make investment in an amount exceeding 40% of its paid-in capital and authorizes the Board of directors to execute the investment.

Article 25-1

The Company may provide guarantee as necessary for the business.

Article 26

The organizational rules and operating rules of the Company shall be enacted separately by the Board of Directors remuneration.

Article 27

If there is any matter not covered herein, the Company Act and the relevant laws and regulations shall govern.

Article 28

The Article was agreed by all the promoters in founder's meeting in September 1, 2000. The first revised was June 28, 2003. The second revised was August 26, 2003. The third revised was April 16, 2004. The fourth time revised was April 16, 2004. The fifth time revised was June 14, 2005. The sixth time revised was June 14, 2005. The seventh revised was June 19, 2006. The eighth revised was May 30, 2007. The ninth revised was May 30, 2008. The tenth revised was June 18, 2010. The eleventh revised was June 22, 2011. The twelfth revised was June 18, 2012. The thirteenth revised was May 27, 2016. The fourteenth revised was May 26, 2017. The fifteenth revised was May 29, 2019. The sixteenth revised was May 28, 2020. The seventeenth revised was May 27, 2022.

Appendix III

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

Shareholding of Directors

1. Paid-in capital of the Company is NTD\$4,542,190,600, with a total of 454,219,060 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 16,000,000 shares.
3. As of the date for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

Book closure date: April 2, 2023

Position	Name	Shareholding when elected		Current shareholding	
		Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Chairman	Liao, Sih-Jheng	-	-	185,000	0.04%
Director	Tong, Zi-Xian	200,000	0.04%	242,000	0.05%
Director	Guo, Ming-Dong	906,795	0.20%	521,795	0.11%
Director	Chen, He-Xu	351,002	0.08%	484,002	0.11%
Director	Asuspower Investment Co. Ltd. Representative: Zhang, Qian-Wei	55,556,221	12.32%	55,556,221	12.23%
Director	Asustek Investment Co. Ltd. Representative: Hu, Gui-Qin	58,233,091	12.92%	58,233,091	12.82%
Independent Director	Wu, Hui-Huang	-	-	-	-
Independent Director	Chen, Jin-Cai	-	-	-	-
Independent Director	Lee, Ming-Yu	-	-	-	-
Total		115,247,109	25.56%	115,222,109	25.36%

Appendix IV

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

Other Explanation Item

The acceptance of the shareholders' proposals for the shareholders meeting this year:

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a shareholders' general meeting.
2. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and more than one proposal or any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting.
3. The period for acceptance of shareholders' proposal: From March 28, 2023 to April 6, 2023; the information has been announced on the Market Observation Post System.
4. The Company did not receive any shareholders' proposal during the aforesaid period.