

(English Translation)

**Nuvoton Technology Corporation**

**Minutes of 2022 Annual General Meeting of Shareholders<sup>1</sup>**

Time and Date: 9 A.M., June 2, 2022(Thursday)

Place: 1F., No. 539, Sec. 2, Wenxing Rd., Jhubei City, Hsinchu County, Taiwan, R.O.C. (Auditorium Hall)

Shares present at the meeting: Shareholders who were present in person or by proxy together held 326,663,953 shares (including 105,781,893 shares present by electronic means), representing 77.82% of the total number of issued shares of the Company, which is 419,765,268 shares.

Chairman: Yuan-Mou Su, the Chairman of the Board of Directors

Recorder: Hsiu-Fen Lai

Director Present : Mr. Arthur Yu-Cheng Chiao, Mr. Chi-Lin Wei (via video conferencing), Mr. Allen Hsu, Mr. Royce Yu-Chun Hong (via video conferencing), Mr. Jerry Hsu (via video conferencing).

Others Present : Mr. Kenny Hong, CPA at Deloitte

Ms. Hsin-Lan Hsu, lawyer at Lee and Li Attorneys-at-Law

Meeting called:

The total number of issued shares of the Company is 419,765,268 shares. As of 9 A.M., the number of shares present was 326,663,953 (including 220,457,597 shares in person, 424,463 share by proxy, and 105,781,893 shares by electronic means), which constituted the quorum of shareholders representing at least half of issued shares of the Company, and therefore the Chairman announced the commencement of the meeting.

Opening Speech of the Chairman: (omitted)

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<sup>1</sup> This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

## **Matters to Be Reported:**

### **I. 2021 business report:**

Please review and approve the Company's 2021 business report and financial report (please refer to Attachment 1).

### **II. Audit Committee's review report of 2021 final accounts:**

Please review and approve the Audit Committee's review report of 2021 final accounts (please refer to Attachment 3).

### **III. 2021 distribution of employee and director compensations:**

According to the Company's 2021 earnings audited by the certified public accountants, the Company has no accumulated losses to be offset against earnings. It is proposed to, in accordance with Article 25 of the Company's Articles of Incorporation, allot 1% of the earnings to be the compensation of directors, which is NT\$35,373,677 in total, and allot 6% of the earnings to be the compensation of employees, which is NT\$212,242,063 in total; in each case, all compensations will be paid in cash. The aforesaid ratios and amounts for allocation have been approved by the Compensation Committee and the Board of Directors of the Company.

### **IV. 2021 cash dividend distribution report:**

- (I) In accordance with Article 240 of the Company Act and as authorized by Article 26 of the Company's Articles of Incorporation, the Board of Directors of the Company resolved on March 15, 2022 to pay out cash dividends of NT\$2,098,826,340, with NT\$5 per common share, for the year of 2021. Such cash dividends will be paid by rounding down to the nearest New Taiwan Dollar, and the remaining fractional cash dividend less than NT\$1 will be credited as other income of the Company.
- (II) After the resolution of the Board of Directors of the Company was passed on March 15, 2022, the Chairman of the Board of Directors is authorized to set an ex-dividend record date and an ex-dividend date; in the event of any subsequent change in the amount of dividend payout per share due to changes in the number of shares outstanding, for example, as a result of the

repurpose of shares by the Company, the Chairman is also authorized to adjust the dividend amount based on the actual number of shares outstanding on the ex-dividend record date.

V. Report on the Company's decision not to proceed with the private placement of securities approved by the 2021 annual general shareholders meeting

The Company's annual general shareholders meeting held on August 20, 2021 approved a proposal to raise long-term capital by, among others, a domestic capital increase for cash through issuance of common shares or preferred shares by way of private placement, or a capital increase for cash through offering of global depositary receipts ("GDRs") sponsored by issuance of common shares by way of private placement, with the maximum number of shares that may be privately placed being 60,000,000. The Company may process the same in one or more installments, depending on the market conditions and its negotiations with the designated persons. In accordance with Paragraph 7, Article 43-6 of the Securities and Exchange Act and the Q&As for Private Placements of Securities issued by the securities competent authority, the shares or price of securities issued through a private placement shall be fully paid up within one year from the date of the resolution of the shareholders' meeting.

The Company has not yet carried out the above private placement, and the Company has no plan to raise funds through a private placement for the time being. Therefore, it will not proceed with the private placement of securities during the remaining period pursuant to the resolution of the Board of Directors' meeting held on February 10, 2022.

V. Other Matters to Be Reported:

(I) Report on shareholdings of all directors:

1. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Share Ownership Ratios of Directors and Supervisors of Public Companies, the minimum combined shareholding of all directors required should be 16,000,000 shares. The Company has set up an Audit Committee and thus the requirement on the minimum shareholdings of all supervisors is not applicable.
2. Please refer to Attachment 4 for the shareholding of each director and the shareholdings of all directors as of the record date for determining the shareholders eligible to attend this 2022 annual general shareholders meeting.
3. The aggregate shareholdings of all directors meet the minimum shareholding required by laws and regulations.

- (II) During the period for accepting shareholders' proposals (from March 18, 2022 to March 28, 2022), no shareholders submitted any written proposal to the Company for the 2022 annual general shareholders meeting in accordance with Article 172-1 of the Company Act.

## **Matters to Be Recognized, Discussed, and Elected:**

### **Motion I**

Proposed by the Board of Directors

Proposal: The Company's 2021 business report and financial report have been prepared. Please acknowledge and recognize the same.

Explanations:

1. For the Company's 2021 business report and financial report, please refer to Attachment 1.
2. The aforementioned financial report had been resolved by the Board of Directors and after audited by the certified public accountants, together with the business report, have been submitted to and reviewed by the Audit Committee.

Resolution: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 292,826,052 (including voting via electronic transmission); Disapproval Vote: 202,383 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 33,635,519 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 89.64% of the voting shares present.

**Motion II**

Proposed by the Board of Directors

Proposal: The Company's 2021 profit distribution proposal is presented. Please acknowledge and recognize the same.

Explanations:

1. The Company has a net profit after tax of NT\$2,940,751,981 for the year of 2021. The proposed statement of profit distribution is as follows.
2. The proposal to distribute the cash dividends on the common stock has been approved by the Meeting of the Board of Directors on March 15, 2022.

Nuvoton Technology Corporation  
Statement of Profit Distribution  
For the year ended December 31, 2021

(Unit: NT\$)

Items	Total
<b>Undistributed Surplus Earnings of Previous Fiscal Years</b>	<b>\$ 732,740,142</b>
Plus: Disposals of investments in equity instruments at fair value through other comprehensive income	138,094,442
Minus: Losses on remeasurement of defined benefit plans	(48,395,240)
Plus: Net income of 2021	2,940,751,981
Minus: 10% legal reserve appropriated	(303,045,118)
<b>Retained Earnings Available for Distribution as of December 31, 2021</b>	<b>3,460,146,207</b>
Distributable items:	
Cash Dividends to Common Shares (NT\$5 per share)	(2,098,826,340)
<b>Unappropriated Earnings, End of Year</b>	<b>\$ 1,361,319,867</b>

(Note: Cash dividends will be calculated and distributed in whole New Taiwan Dollar. Any fractional amount less than one New Taiwan Dollar will be accounted in the Company's other income.)

Chairman:

Manager:

Accounting Officer:

Resolution: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 292,972,940 (including voting via electronic transmission); Disapproval Vote: 54,495 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 33,636,519 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 89.68% of the voting shares present.

### **Motion III**

Proposed by the Board of Directors

Proposal: It is proposed to amend the Articles of Incorporation of the Company. Please review and approve the same.

Explanations:

1. In accordance with Paragraph 8 of Article 20 of the Company's Articles of Incorporation, the relevant provisions of the Company Act, and actual needs.
2. This amendment is explained as follows.
  - (1) Addition of Paragraph 2 of Article 10: In order to provide more flexibility in respect of holding shareholders meetings, it is proposed to add the video convening method in accordance with Paragraph 1 of Article 172-2 of the Company Act.
  - (2) Amendment to Article 20: To amend the approval threshold of the Board of Directors regarding, among others, capital expenditure, re-investment, financing, and guarantee and the relevant authority over the form of shareholders meeting.
3. Please see Attachment 5 to this Handbook for the comparison table showing the amendments to the Company's Articles of Incorporation and Appendix 3 for the full text of the Articles of Incorporation after amendment.
4. This motion has been passed by the resolution of the Board of Directors.

Resolution: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 261,747,421 (including voting via electronic transmission); Disapproval Vote: 28,362,837 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,553,696 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 80.12% of the voting shares present.



## **Motion IV**

Proposed by the Board of Directors

Proposal: It is proposed to amend the Company's internal rules. Please review and approve the same.

Explanations: It is proposed to amend the Company's internal rules as follows:

(a) Procedures for the Acquisition and Disposal of Assets

1. In accordance with the letter issued by the Financial Supervisory Commission dated January 28, 2022 (Letter No.: Jin-Guan-Zheng-Fa-Zi-1110380465) and the Company's actual operational needs, it is proposed to amend these Procedures.
2. The main points of the amendment:
  - (1) To strengthen the management of related party transactions.
  - (2) To specify the procedures to be followed by and responsibilities of external experts.
  - (3) To relax the exemption from announcement for trading of foreign bonds with credit ratings not lower than the sovereign rating of Taiwan.
  - (4) To revise the approval procedures to meet the actual operational needs.
3. A comparison table of the amended provisions of these Procedures and the full text of the amended provisions thereof has been prepared as set forth in Attachment 6 to this Handbook.

(b) Rules Governing the Conduct of Shareholders Meeting

1. It is proposed to amend these Rules in accordance with Subparagraph 19 of Article 20 of the Company's Articles of Incorporation and the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings referenced in the letter issued by the Taiwan Stock Exchange Corporation dated March 8, 2022 (Letter No.: Tai-Zheng-Chi-Li-Zi-11100042501).
2. This amendment mainly provides for virtual shareholders meetings or hybrid shareholders meetings.
3. A comparison table of the amended provisions of these Rules and the full text of the amended provisions thereof has been prepared as set forth in Attachment 7 and Appendix 1 to this Handbook respectively.

Resolution: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 261,567,257 (including voting via electronic transmission); Disapproval Vote: 28,547,853 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,548,844 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 80.07% of the voting shares present.

## **Motion V**

Proposed by the Board of Directors

Proposal: It is proposed to elect the Company's Directors (including Independent Directors) of the seventh term.

Explanations:

1. The Company's Directors (including Independent Directors) of the sixth term were elected by the shareholders at the annual general shareholders meeting on June 24, 2019, for a term of three years ending on June 23, 2022.
2. In accordance with Article 15 of the Company's Articles of Incorporation, the Company shall have 9 to 11 Directors for a term of 3 years, of whom no fewer than 3 shall be Independent Directors. In accordance with the order issued by the Ministry of Economic Affairs on November 30, 2005 (Order No.: Jin-Shang-Zi-09402426290), it is proposed that the Board of Directors approve that the number of the Directors (including Independent Directors) for the seventh term shall be 11 (including 4 Independent Directors) and that the new Directors (including Independent Directors) shall take office after the 2022 annual general shareholders meeting (whose term of office shall commence on June 2, 2022 and end on June 1, 2025).
3. The Company adopted a nomination system for candidates for the Directors (including Independent Directors) of the seventh term. The list of candidates has been approved at the 27<sup>th</sup> meeting of the Board of Directors of the Company of the sixth term. Please see Attachment 8 to this Handbook for the information relating to the above candidates.

Result of election:

<b>Category</b>	<b>Name</b>	<b>Number of votes elected</b>
Director	Yuan-Mou Su (Representative of Winbond Electronics Corporation)	302,548,951
Director	Arthur Yu-Cheng Chiao	281,268,992
Director	Jen-Lieh Lin (Representative of Chin Xin Investment Corp.)	275,473,097
Director	Chi-Lin Wei	274,489,187
Director	Royce Yu-Chun Hong	273,872,565
Director	Liang-Gee Chen	272,423,306
Director	Tzu-Kai Chiao	267,424,266
Independent director	Allen Hsu	271,152,253
Independent director	David Shu-Chyuan Tu	270,767,631
Independent director	Kuang-Chung Chen	269,706,921
Independent director	Mark Wei	268,882,542

**Motion VI** Proposed by the Board of Directors

Proposal: It is proposed to release the director from the non-competition restrictions. Please review and approve the same.

Explanations:

1. It is conducted in accordance with Paragraph 1 of Article 209 of the Company Act.
2. Please refer to Attachment 9 to this Handbook for the description of competitive conduct of the newly elected Directors of the seventh term and the incumbent Directors of the sixth term of the Company who concurrently act as a director or a managerial officer in other companies engaging in the same business as the Company.
3. It is proposed to release the Directors (including Independent Directors) stated above from the non-competition restrictions on engaging in any conduct that is within the scope of business of the Company, and to waive the Company's right to request disgorgement of profits against such Directors from the day when they entered office as the directors or managerial officers of such peer company.
4. This motion has been passed by the resolution of the Board of Directors.

Resolution: Motion 6-1: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,306,569 (including voting via electronic transmission); Disapproval Vote: 573,318 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,784,067 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.56% of the voting shares present.

Motion 6-2: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,755,259 (including voting via electronic transmission); Disapproval Vote: 120,318 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,788,377 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.70% of the voting shares present.

Motion 6-3: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,741,720 (including voting via electronic transmission); Disapproval Vote: 122,279 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,799,955 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.69% of the voting shares present.

Motion 6-4: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,760,787 (including voting via electronic transmission); Disapproval Vote: 118,101 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,785,066 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.70% of the voting shares present.

Motion 6-5: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,770,371 (including voting via electronic transmission); Disapproval Vote: 108,216 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,785,367 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.70% of the voting shares present.

Motion 6-6: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,756,519 (including voting via electronic transmission); Disapproval Vote: 122,368 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,785,067 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.70% of the voting shares present.

Motion 6-7: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,305,519 (including voting via electronic transmission); Disapproval Vote: 575,368 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,783,067 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.56 of the voting shares present.

Motion 6-8: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,317,117 (including voting via electronic transmission); Disapproval Vote: 563,770 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,783,067 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.56% of the voting shares present.

Motion 6-9: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,757,569 (including voting via electronic transmission); Disapproval Vote: 123,318 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,783,067 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.70% of the voting shares present.

Motion 6-10: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,750,391 (including voting via electronic transmission); Disapproval Vote: 110,350 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,803,213 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.69% of the voting shares present.

Motion 6-11: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,299,391 (including voting via electronic transmission); Disapproval Vote: 562,347 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,802,216 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.56% of the voting shares present.

Motion 6-12: Total number of voting rights present at the time of voting: 326,663,954. Approval Vote: 289,299,391 (including voting via electronic transmission); Disapproval Vote: 562,350 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 36,802,213 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 88.56% of the voting shares present.

**Extempore motions:**

**Adjournment of the meeting. (11:32A.M.)**

(The video recording of this shareholder's annual general meeting concerning detailed contents, procedures, and shareholder statements will prevail in the event of any discrepancy.)



# **Attachments**

< Attachment 1 >

Nuvoton Technology Corporation  
2021 Business Report

2021 was a bumper year for the global semiconductor industry, benefiting from strong end-user demand and continuous business opportunities in various applications. According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor industry saw a significant 25.6% year-on-year increase in output in 2021. In response to the market boom, Nuvoton has demonstrated its solid operational strength to meet the market demand with more diversified product applications, with the effect that its consolidated revenue and profit reached a record high in 2021.

### **Financial Performance**

In terms of its overall financial performance in 2021, Nuvoton's total consolidated revenue was about NT\$41,456,000,000; its net income after tax was about NT\$2,941,000,000; its earnings per share after tax was NT\$7.27.

### **Products, Markets and Technological Developments**

Nuvoton's main eight business lines are microcontroller applications, smart home, cloud security, image sensing, battery monitoring, IoT applications, semiconductor components, and wafer foundry. Its important achievements are summarized as follows:

In terms of microcontroller applications, the Company has launched a series of dual-mode Bluetooth microcontrollers with low power consumption and high-efficiency product features, which have been certified by the Bluetooth Association and can be applied to industrial control networking, and continued to develop a high-efficiency and low-energy consuming product mix corresponding to emerging applications. In terms of smart home, we expanded the audio codec NAU88L25 to Google Chromebook Alder Lake and Jasper Lake platforms, and continued to expand the market share of NSPxx Voice Prompt solution in the audio market. In terms of cloud security, the shipment of server baseboard management controller (BMC) to enterprises and cloud network customers has grown, and the development of a new generation of high-performance BMC is underway as scheduled.

In terms of image sensing, the Company announced a partnership with Green Hills Software to launch a Real-Time Operating System (RTOS) for Nuvoton Gerda® series of automotive chips, providing an operating platform of a higher level of security. In terms of battery monitoring, with the development of the current trend of electric vehicles, battery monitoring IC (Battery Monitoring IC, BM-IC) has been introduced into the lithium batteries of many well-known car manufacturers with expansion into new

customers, and the Company has also extended the technology into electric bicycles, electric motorcycles and energy storage markets. In terms of IoT, in addition to launching a new home inverter MCU with high performance and security functions, the Company has also developed USB4.0 re-timer products based on the existing high-speed transmission interface technology to ensure the stability of signals during long-distance transmission. In terms of semiconductor components, our main product is CSP (Chip Scale Package) MOSFETs used for circuit protection of small lithium batteries. In addition to still focusing on smartphones or various portable devices, the Company has also further extended CSP into the application of automotive audio systems, which can simplify the complexity of the horn wiring in the car.

In terms of foundry, in addition to the continued high demand for foundry capacity, we continue to develop new processes to enhance our competitiveness in the foundry market and meet the diverse needs of the power supply market.

### **Honors and Awards**

In 2021, Nuvoton has won many honorary awards in product innovation and enterprise management.

In terms of product innovation, Nuvoton has launched the NuMicro M2354 series microcontrollers with chip-level security protection functions in line with the international IoT information and communication security requirements and won the "2021 EE Awards Asia - Golden Selection Potential Benchmark Product Award".

In terms of the long-term goal of business operation, Nuvoton completed the acquisition of NTCJ in 2020, which also earned Nuvoton the "MAPECT Taiwan M&A Awards – Deal of the Year". Through the acquisition of NTCJ, Nuvoton has further enhanced Nuvoton's presence in the global market and competitive advantage among its peers.

In terms of sustainable operation, the Company is committed to investing in energy saving and green environmental protection related subjects. In 2021, the high-pressure rotor of the air compressor CDA-6 was replaced, which saved about 80,000 kWh of electricity in the plant area, and we continued to expand the recovery of waste sulfuric acid and reduction of liquid caustic soda for wastewater treatment, clearly demonstrating the excellent results of our continuous commitment to corporate social responsibility.

### **Corporate Operation and Outlook**

With the continued rise of globalization, accelerated digital transformation, and supply chain restructuring brought about by the COVID-19 pandemic, Nuvoton will provide a more complete product portfolio in 5G, smart life, cloud computing, vehicle and industrial automation, and new energy

applications by promoting relevant innovative applications and services and provide products with high performance, high reliability and high security, so that Nuvoton can continue to play an important role in the technology industry.

Looking ahead, Nuvoton, as a global citizen, will follow the global trend and adopt the 3R principle (Reduce, Reuse and Recycle) to achieve carbon neutrality and continue to uphold the purposes of green innovation and intelligence to make a positive impact on corporate social responsibility and sustainable development.

Chairman of the Board: Yuan-Mou Su    Managerial Officer: Yuan-Mou Su    Accounting Manager:  
Show-Fen Lai

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 9,699,031	28	\$ 5,881,733	18
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,631	-	13,223	-
Accounts receivable, net (Notes 4 and 8)	3,514,424	10	4,155,816	13
Accounts receivable from related parties, net (Notes 4, 8 and 32)	656,738	2	90,577	-
Other receivables (Notes 9 and 32)	930,548	3	1,710,051	5
Inventories (Notes 4 and 10)	6,859,466	20	6,250,131	20
Other current assets	<u>338,614</u>	<u>1</u>	<u>259,015</u>	<u>1</u>
Total current assets	<u>22,000,452</u>	<u>64</u>	<u>18,360,546</u>	<u>57</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	69,200	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 11)	2,676,174	8	1,806,580	6
Property, plant and equipment (Notes 4, 12 and 33)	5,248,513	15	6,547,107	20
Right-of-use assets (Notes 4, 13 and 32)	1,197,613	4	1,498,888	5
Investment properties (Notes 4, 14 and 33)	2,005,598	6	2,466,667	8
Intangible assets (Notes 4 and 15)	983,329	3	802,691	2
Deferred tax assets (Notes 4 and 24)	89,019	-	188,397	-
Refundable deposits (Note 6 and 33)	134,187	-	651,497	2
Other non-current assets	<u>4,305</u>	<u>-</u>	<u>328</u>	<u>-</u>
Total non-current assets	<u>12,407,938</u>	<u>36</u>	<u>13,962,155</u>	<u>43</u>
<b>TOTAL</b>	<u>\$ 34,408,390</u>	<u>100</u>	<u>\$ 32,322,701</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 17 and 31)	\$ -	-	\$ 1,821,210	6
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	3,191	-
Notes payable	38,753	-	365,870	1
Accounts payable	2,634,376	8	2,653,008	8
Accounts payable to related parties (Note 32)	466,673	1	827,543	3
Other payables (Notes 18 and 32)	4,795,770	14	4,008,274	12
Current tax liabilities (Notes 4 and 24)	402,369	1	221,412	1
Provisions - current (Note 19)	532,948	2	928,719	3
Lease liabilities - current (Notes 4, 13 and 32)	247,308	1	300,067	1
Other current liabilities	<u>700,791</u>	<u>2</u>	<u>421,034</u>	<u>1</u>
Total current liabilities	<u>9,818,988</u>	<u>29</u>	<u>11,550,328</u>	<u>36</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 16)	-	-	1,207,820	4
Long-term borrowings (Notes 17 and 31)	1,500,000	4	1,500,000	5
Provisions - non-current (Note 19)	2,729,353	8	3,120,468	10
Deferred tax liabilities (Notes 4 and 24)	36,583	-	52,132	-
Lease liabilities - non-current (Notes 4, 13 and 32)	1,118,284	3	1,474,041	4
Net defined benefit liabilities - non-current (Notes 4 and 20)	1,641,861	5	1,780,008	5
Guarantee deposits (Notes 4, 21 and 32)	1,962,242	6	69,573	-
Other non-current liabilities	<u>46,389</u>	<u>-</u>	<u>46,963</u>	<u>-</u>
Total non-current liabilities	<u>9,034,712</u>	<u>26</u>	<u>9,251,005</u>	<u>28</u>
Total liabilities	<u>18,853,700</u>	<u>55</u>	<u>20,801,333</u>	<u>64</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital (Note 22)	4,172,101	12	3,759,616	12
Certificates of bond-to-stock conversion (Note 22)	25,552	-	124,320	-
Capital surplus (Note 22)	6,871,811	20	5,796,731	18
Retained earnings (Note 22)				
Legal reserve	655,515	2	596,905	2
Unappropriated earnings	3,763,192	11	1,103,083	3
Exchange differences on translation of financial statements of foreign operations (Notes 4 and 22)	(1,044,941)	(3)	(128,352)	-
Unrealized gains (losses) on financial assets at fair value through other comprehensive income (Notes 4 and 22)	<u>1,111,460</u>	<u>3</u>	<u>269,065</u>	<u>1</u>
Total equity	<u>15,554,690</u>	<u>45</u>	<u>11,521,368</u>	<u>36</u>
<b>TOTAL</b>	<u>\$ 34,408,390</u>	<u>100</u>	<u>\$ 32,322,701</u>	<u>100</u>

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

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 23)	\$ 41,455,957	100	\$ 20,668,056	100
OPERATING COST (Notes 10, 25 and 32)	<u>24,599,840</u>	<u>59</u>	<u>12,961,144</u>	<u>62</u>
GROSS PROFIT	<u>16,856,117</u>	<u>41</u>	<u>7,706,912</u>	<u>38</u>
OPERATING EXPENSES (Notes 25 and 32)				
Selling expenses	1,185,131	3	507,929	2
General and administrative expenses	2,884,137	7	1,358,393	7
Research and development expenses	9,451,500	23	5,516,242	27
Expected credit loss	<u>8,206</u>	<u>-</u>	<u>2,066</u>	<u>-</u>
Total operating expenses	<u>13,528,974</u>	<u>33</u>	<u>7,384,630</u>	<u>36</u>
PROFIT FROM OPERATIONS	<u>3,327,143</u>	<u>8</u>	<u>322,282</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 28 and 32)				
Finance costs	(68,915)	-	(70,228)	-
Interest income	30,007	-	22,330	-
Dividend income	67,845	-	67,746	-
Gain on the bargain purchase	-	-	218,968	1
Other gains and losses	67,420	-	114,345	1
Gains (losses) on disposal of property, plant and equipment	134,893	1	40,433	-
Gains (losses) on disposals of intangible assets	(4,803)	-	-	-
Foreign exchange gains (losses)	(24,204)	-	(6,417)	-
Gains (losses) on financial assets at fair value through profit or loss	<u>16,110</u>	<u>-</u>	<u>33,966</u>	<u>-</u>
Total non-operating income and expenses	<u>218,353</u>	<u>1</u>	<u>421,143</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	3,545,496	9	743,425	4
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(604,744)</u>	<u>(2)</u>	<u>(210,640)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,940,752</u>	<u>7</u>	<u>532,785</u>	<u>3</u>

(Continued)

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	\$ (48,395)	-	\$ (29,082)	-
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	980,490	2	181,920	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(916,589)</u>	<u>(2)</u>	<u>(109,368)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>15,506</u>	<u>-</u>	<u>43,470</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,956,258</u>	<u>7</u>	<u>\$ 576,255</u>	<u>3</u>
EARNINGS PER SHARE (Notes 4 and 27)				
From continuing operations				
Basic	<u>\$ 7.27</u>		<u>\$ 1.81</u>	
Diluted	<u>\$ 6.99</u>		<u>\$ 1.72</u>	

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

(Concluded)

## NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity		Total Equity
	Ordinary Share	Certificates of Bond-to-stock Conversion	Capital Surplus	Retained Earnings		Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
				Legal Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2020	\$ 2,875,544	\$ -	\$ 2,906,976	\$ 541,722	\$ 917,229	\$ (18,984)	\$ 169,544	\$ 7,392,031
Appropriation of 2019 earnings (Note 22)								
Legal reserve	-	-	-	55,183	(55,183)	-	-	-
Cash dividends	-	-	-	-	(345,065)	-	-	(345,065)
Net profit for the year ended December 31, 2020	-	-	-	-	532,785	-	-	532,785
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(29,082)	(109,368)	181,920	43,470
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	503,703	(109,368)	181,920	576,255
Convertible bonds converted to ordinary shares (Note 16)	84,072	124,320	596,347	-	-	-	-	804,739
Compensation cost of employee share options (Notes 22 and 26)	-	-	62,240	-	-	-	-	62,240
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 11 and 22)	-	-	-	-	82,399	-	(82,399)	-
Issuance of ordinary shares for cash (Note 22)	800,000	-	2,231,168	-	-	-	-	3,031,168
BALANCE AT DECEMBER 31, 2020	3,759,616	124,320	5,796,731	596,905	1,103,083	(128,352)	269,065	11,521,368
Appropriation of 2020 earnings (Note 22)								
Legal reserve	-	-	-	58,610	(58,610)	-	-	-
Cash dividends	-	-	-	-	(311,733)	-	-	(311,733)
Net profit for the year ended December 31, 2021	-	-	-	-	2,940,752	-	-	2,940,752
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(48,395)	(916,589)	980,490	15,506
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,892,357	(916,589)	980,490	2,956,258
Dividends from claims extinguished by prescriptions	-	-	10	-	-	-	-	10
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 11 and 22)	-	-	-	-	138,095	-	(138,095)	-
Disposal of subsidiaries (Note 29)	-	-	190,237	-	-	-	-	190,237
Convertible bonds converted to ordinary shares (Note 16)	412,485	(98,768)	884,833	-	-	-	-	1,198,550
BALANCE AT DECEMBER 31, 2021	\$ 4,172,101	\$ 25,552	\$ 6,871,811	\$ 655,515	\$ 3,763,192	\$ (1,044,941)	\$ 1,111,460	\$ 15,554,690

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



# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 9,699,031	28	\$ 5,881,733	18
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,631	-	13,223	-
Accounts receivable, net (Notes 4 and 8)	3,514,424	10	4,155,816	13
Accounts receivable from related parties, net (Notes 4, 8 and 32)	656,738	2	90,577	-
Other receivables (Notes 9 and 32)	930,548	3	1,710,051	5
Inventories (Notes 4 and 10)	6,859,466	20	6,250,131	20
Other current assets	338,614	1	259,015	1
Total current assets	<u>22,000,452</u>	<u>64</u>	<u>18,360,546</u>	<u>57</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	69,200	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 11)	2,676,174	8	1,806,580	6
Property, plant and equipment (Notes 4, 12 and 33)	5,248,513	15	6,547,107	20
Right-of-use assets (Notes 4, 13 and 32)	1,197,613	4	1,498,888	5
Investment properties (Notes 4, 14 and 33)	2,005,598	6	2,466,667	8
Intangible assets (Notes 4 and 15)	983,329	3	802,691	2
Deferred tax assets (Notes 4 and 24)	89,019	-	188,397	-
Refundable deposits (Note 6 and 33)	134,187	-	651,497	2
Other non-current assets	4,305	-	328	-
Total non-current assets	<u>12,407,938</u>	<u>36</u>	<u>13,962,155</u>	<u>43</u>
<b>TOTAL</b>	<u>\$ 34,408,390</u>	<u>100</u>	<u>\$ 32,322,701</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 17 and 31)	\$ -	-	\$ 1,821,210	6
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	3,191	-
Notes payable	38,753	-	365,870	1
Accounts payable	2,634,376	8	2,653,008	8
Accounts payable to related parties (Note 32)	466,673	1	827,543	3
Other payables (Notes 18 and 32)	4,795,770	14	4,008,274	12
Current tax liabilities (Notes 4 and 24)	402,369	1	221,412	1
Provisions - current (Note 19)	532,948	2	928,719	3
Lease liabilities - current (Notes 4, 13 and 32)	247,308	1	300,067	1
Other current liabilities	700,791	2	421,034	1
Total current liabilities	<u>9,818,988</u>	<u>29</u>	<u>11,550,328</u>	<u>36</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 16)	-	-	1,207,820	4
Long-term borrowings (Notes 17 and 31)	1,500,000	4	1,500,000	5
Provisions - non-current (Note 19)	2,729,353	8	3,120,468	10
Deferred tax liabilities (Notes 4 and 24)	36,583	-	52,132	-
Lease liabilities - non-current (Notes 4, 13 and 32)	1,118,284	3	1,474,041	4
Net defined benefit liabilities - non-current (Notes 4 and 20)	1,641,861	5	1,780,008	5
Guarantee deposits (Notes 4, 21 and 32)	1,962,242	6	69,573	-
Other non-current liabilities	46,389	-	46,963	-
Total non-current liabilities	<u>9,034,712</u>	<u>26</u>	<u>9,251,005</u>	<u>28</u>
Total liabilities	<u>18,853,700</u>	<u>55</u>	<u>20,801,333</u>	<u>64</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital (Note 22)	4,172,101	12	3,759,616	12
Certificates of bond-to-stock conversion (Note 22)	25,552	-	124,320	-
Capital surplus (Note 22)	6,871,811	20	5,796,731	18
Retained earnings (Note 22)				
Legal reserve	655,515	2	596,905	2
Unappropriated earnings	3,763,192	11	1,103,083	3
Exchange differences on translation of financial statements of foreign operations (Notes 4 and 22)	(1,044,941)	(3)	(128,352)	-

Unrealized gains (losses) on financial assets at fair value through other comprehensive income (Notes 4 and 22)	<u>1,111,460</u>	<u>3</u>	<u>269,065</u>	<u>1</u>
Total equity	<u>15,554,690</u>	<u>45</u>	<u>11,521,368</u>	<u>36</u>
TOTAL	<u>\$ 34,408,390</u>	<u>100</u>	<u>\$ 32,322,701</u>	<u>100</u>

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

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 23)	\$ 41,455,957	100	\$ 20,668,056	100
OPERATING COST (Notes 10, 25 and 32)	<u>24,599,840</u>	<u>59</u>	<u>12,961,144</u>	<u>62</u>
GROSS PROFIT	<u>16,856,117</u>	<u>41</u>	<u>7,706,912</u>	<u>38</u>
OPERATING EXPENSES (Notes 25 and 32)				
Selling expenses	1,185,131	3	507,929	2
General and administrative expenses	2,884,137	7	1,358,393	7
Research and development expenses	9,451,500	23	5,516,242	27
Expected credit loss	<u>8,206</u>	<u>-</u>	<u>2,066</u>	<u>-</u>
Total operating expenses	<u>13,528,974</u>	<u>33</u>	<u>7,384,630</u>	<u>36</u>
PROFIT FROM OPERATIONS	<u>3,327,143</u>	<u>8</u>	<u>322,282</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 28 and 32)				
Finance costs	(68,915)	-	(70,228)	-
Interest income	30,007	-	22,330	-
Dividend income	67,845	-	67,746	-
Gain on the bargain purchase	-	-	218,968	1
Other gains and losses	67,420	-	114,345	1
Gains (losses) on disposal of property, plant and equipment	134,893	1	40,433	-
Gains (losses) on disposals of intangible assets	(4,803)	-	-	-
Foreign exchange gains (losses)	(24,204)	-	(6,417)	-
Gains (losses) on financial assets at fair value through profit or loss	<u>16,110</u>	<u>-</u>	<u>33,966</u>	<u>-</u>
Total non-operating income and expenses	<u>218,353</u>	<u>1</u>	<u>421,143</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	3,545,496	9	743,425	4
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(604,744)</u>	<u>(2)</u>	<u>(210,640)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,940,752</u>	<u>7</u>	<u>532,785</u>	<u>3</u>

(Continued)

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	\$ (48,395)	-	\$ (29,082)	-
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	980,490	2	181,920	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(916,589)</u>	<u>(2)</u>	<u>(109,368)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>15,506</u>	<u>-</u>	<u>43,470</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,956,258</u>	<u>7</u>	<u>\$ 576,255</u>	<u>3</u>
EARNINGS PER SHARE (Notes 4 and 27)				
From continuing operations				
Basic	<u>\$ 7.27</u>		<u>\$ 1.81</u>	
Diluted	<u>\$ 6.99</u>		<u>\$ 1.72</u>	

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

## NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity		Total Equity
	Ordinary Share	Certificates of Bond-to-stock Conversion	Capital Surplus	Retained Earnings		Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
				Legal Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2020	\$ 2,875,544	\$ -	\$ 2,906,976	\$ 541,722	\$ 917,229	\$ (18,984)	\$ 169,544	\$ 7,392,031
Appropriation of 2019 earnings (Note 22)								
Legal reserve	-	-	-	55,183	(55,183)	-	-	-
Cash dividends	-	-	-	-	(345,065)	-	-	(345,065)
Net profit for the year ended December 31, 2020	-	-	-	-	532,785	-	-	532,785
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(29,082)	(109,368)	181,920	43,470
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	503,703	(109,368)	181,920	576,255
Convertible bonds converted to ordinary shares (Note 16)	84,072	124,320	596,347	-	-	-	-	804,739
Compensation cost of employee share options (Notes 22 and 26)	-	-	62,240	-	-	-	-	62,240
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 11 and 22)	-	-	-	-	82,399	-	(82,399)	-
Issuance of ordinary shares for cash (Note 22)	800,000	-	2,231,168	-	-	-	-	3,031,168
BALANCE AT DECEMBER 31, 2020	3,759,616	124,320	5,796,731	596,905	1,103,083	(128,352)	269,065	11,521,368
Appropriation of 2020 earnings (Note 22)								
Legal reserve	-	-	-	58,610	(58,610)	-	-	-
Cash dividends	-	-	-	-	(311,733)	-	-	(311,733)
Net profit for the year ended December 31, 2021	-	-	-	-	2,940,752	-	-	2,940,752
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(48,395)	(916,589)	980,490	15,506
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,892,357	(916,589)	980,490	2,956,258
Dividends from claims extinguished by prescriptions	-	-	10	-	-	-	-	10
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 11 and 22)	-	-	-	-	138,095	-	(138,095)	-
Disposal of subsidiaries (Note 29)	-	-	190,237	-	-	-	-	190,237
Convertible bonds converted to ordinary shares (Note 16)	412,485	(98,768)	884,833	-	-	-	-	1,198,550
BALANCE AT DECEMBER 31, 2021	\$ 4,172,101	\$ 25,552	\$ 6,871,811	\$ 655,515	\$ 3,763,192	\$ (1,044,941)	\$ 1,111,460	\$ 15,554,690

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

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 3,545,496	\$ 743,425
Adjustments for:		
Depreciation expense	1,089,508	602,985
Amortization expense	240,739	179,513
Finance costs	68,915	70,228
Expected credit loss recognized on accounts receivable	8,206	2,066
Interest income	(30,007)	(22,330)
Dividend income	(67,845)	(67,746)
Compensation cost of employee share options	-	62,240
Gains on disposal of property, plant and equipment	(134,893)	(40,433)
Losses on disposal of intangible assets	4,803	-
Gain on the bargain purchase	-	(218,968)
Other income	-	(5)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets at fair value through profit or loss	(7,627)	(3,570)
(Increase) decrease in accounts receivable	577,125	99,420
(Increase) decrease in accounts receivable from related parties	(566,161)	3,023
(Increase) decrease in other receivables	265,280	382,463
(Increase) decrease in inventories	(649,170)	(32,371)
(Increase) decrease in other current assets	(95,441)	98,794
(Increase) decrease in other non-current assets	(3,977)	952
(Increase) decrease in notes payable	(327,117)	(49,851)
Increase (decrease) in accounts payable	(21,059)	144,843
Increase (decrease) in accounts payable to related parties	(358,443)	(727,254)
Increase (decrease) in other payables	916,119	(130,220)
Increase (decrease) in provisions	(316,438)	-
Increase (decrease) in other current liabilities	334,810	294,988
Increase (decrease) in net defined benefit liabilities	2,013	2,405
Increase (decrease) in other non-current liabilities	(572)	9,673
Cash flows from operations	4,474,264	1,404,270
Income tax paid	(393,035)	(79,348)
Interest received	26,321	27,426
Interest paid	(64,963)	(50,438)
Dividend received	67,845	67,746
Net cash flows generated from (used in) operating activities	<u>4,110,432</u>	<u>1,369,656</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	(69,763)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	235,166	402,003
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,500	2,250

(Continued)

**NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

	<b>2021</b>	<b>2020</b>
Acquisition of intangible assets	\$ (308,239)	\$ (443,458)
Proceeds from disposal of intangible assets	-	736
Acquisition of property, plant and equipment	(514,503)	(364,747)
Proceeds from disposal of property, plant and equipment	898,872	46,884
(Increase) decrease in refundable deposits paid	517,310	(560,641)
Proceeds from disposal of subsidiaries (Note 29)	59,593	-
Acquisition of subsidiaries (Note 28)	(77,934)	(6,928,207)
Decrease in other receivables - time deposits	<u>13,008</u>	<u>250,236</u>
Net cash flows generated from (used in) investing activities	<u>758,010</u>	<u>(7,594,944)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	452,550	1,821,210
Proceeds from long-term borrowings	-	2,800,000
Repayment of short-term borrowings	(2,242,449)	-
Repayments of long-term borrowings	-	(1,800,000)
Repayments of the principal portion of lease liabilities	(285,811)	(187,753)
Proceeds from guarantee deposits received	1,892,669	26,720
Proceeds from issuance of bonds	-	1,998,428
Dividends paid to owners of the Company	(311,733)	(345,065)
Proceeds from issuance of ordinary shares	<u>-</u>	<u>3,031,168</u>
Net cash flows generated from (used in) financing activities	<u>(494,774)</u>	<u>7,344,708</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(556,370)</u>	<u>(96,910)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,817,298	1,022,510
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,881,733</u>	<u>4,859,223</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,699,031</u>	<u>\$ 5,881,733</u>

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

# NUVOTON TECHNOLOGY CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,519,937	31	\$ 3,677,602	20
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,631	-	13,223	-
Accounts receivable, net (Notes 4 and 8)	1,055,505	4	800,031	4
Accounts receivable from related parties, net (Notes 4, 8 and 29)	152,839	1	106,317	1
Other receivables (Note 29)	85,846	-	547,185	3
Inventories (Notes 4 and 9)	2,616,503	11	1,892,675	10
Other current assets	<u>206,552</u>	<u>1</u>	<u>103,300</u>	<u>1</u>
Total current assets	<u>11,638,813</u>	<u>48</u>	<u>7,140,333</u>	<u>39</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	69,200	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 10)	1,164,773	5	980,973	5
Investments accounted for using equity method (Notes 4 and 11)	9,633,744	40	8,012,519	44
Property, plant and equipment (Notes 4 and 12)	637,113	3	669,361	4
Right-of-use assets (Notes 4 and 13)	233,357	1	293,107	2
Intangible assets (Notes 4 and 14)	645,692	3	561,859	3
Deferred tax assets (Notes 4 and 22)	45,000	-	73,000	-
Refundable deposits (Notes 29 and 30)	<u>112,162</u>	<u>-</u>	<u>641,151</u>	<u>3</u>
Total non-current assets	<u>12,541,041</u>	<u>52</u>	<u>11,231,970</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 24,179,854</u>	<u>100</u>	<u>\$ 18,372,303</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ -	-	\$ 3,191	-
Accounts payable	1,469,214	6	1,336,225	7
Accounts payable to related parties (Note 29)	126,695	1	39,500	-
Other payables (Notes 17 and 29)	2,432,704	10	1,401,058	8
Current tax liabilities (Notes 4 and 22)	354,332	1	169,350	1
Provisions - current (Note 18)	-	-	316,438	2
Lease liabilities - current (Notes 4 and 13)	53,407	-	56,247	-
Other current liabilities	<u>191,106</u>	<u>1</u>	<u>200,358</u>	<u>1</u>
Total current liabilities	<u>4,627,458</u>	<u>19</u>	<u>3,522,367</u>	<u>19</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 15)	-	-	1,207,820	7
Long-term borrowings (Note 16)	1,500,000	6	1,500,000	8
Products guarantee based on commitment (Notes 4 and 18)	101,891	1	101,891	1
Lease liabilities - non-current (Notes 4 and 13)	151,966	1	205,902	1
Net defined benefit liabilities - non-current (Notes 4 and 19)	313,018	1	284,985	1
Guarantee deposits (Notes 4, 20 and 29)	1,917,405	8	14,544	-
Other non-current liabilities	<u>13,426</u>	<u>-</u>	<u>13,426</u>	<u>-</u>
Total non-current liabilities	<u>3,997,706</u>	<u>17</u>	<u>3,328,568</u>	<u>18</u>
Total liabilities	<u>8,625,164</u>	<u>36</u>	<u>6,850,935</u>	<u>37</u>
<b>EQUITY</b>				
Share capital (Note 21)	4,172,101	17	3,759,616	20
Certificates of bond-to-stock conversion (Note 21)	25,552	-	124,320	1
Capital surplus (Note 21)	6,871,811	28	5,796,731	32
Retained earnings (Note 21)				
Legal reserve	655,515	3	596,905	3
Unappropriated earnings	3,763,192	15	1,103,083	6
Exchange differences on translation of financial statements of foreign operations (Notes 4 and 21)	(1,044,941)	(4)	(128,352)	(1)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income (Notes 4 and 21)	<u>1,111,460</u>	<u>5</u>	<u>269,065</u>	<u>2</u>
Total equity	<u>15,554,690</u>	<u>64</u>	<u>11,521,368</u>	<u>63</u>
<b>TOTAL</b>	<u>\$ 24,179,854</u>	<u>100</u>	<u>\$ 18,372,303</u>	<u>100</u>

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



# NUVOTON TECHNOLOGY CORPORATION

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 29)	\$ 14,601,031	100	\$ 11,433,163	100
OPERATING COST (Notes 9 and 29)	<u>7,792,791</u>	<u>54</u>	<u>6,967,572</u>	<u>61</u>
GROSS PROFIT	<u>6,808,240</u>	<u>46</u>	<u>4,465,591</u>	<u>39</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling expenses	201,433	1	153,732	1
General and administrative expenses	663,902	5	792,476	7
Research and development expenses	3,346,321	23	2,870,345	25
Expected credit loss	<u>6,147</u>	<u>-</u>	<u>1,464</u>	<u>-</u>
Total operating expenses	<u>4,217,803</u>	<u>29</u>	<u>3,818,017</u>	<u>33</u>
PROFIT FROM OPERATIONS	<u>2,590,437</u>	<u>17</u>	<u>647,574</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES (Note 29)				
Finance costs	(24,870)	-	(35,205)	-
Share of (loss) profit of subsidiaries and associates accounted for using equity method	691,264	5	(290,819)	(3)
Interest income	10,748	-	15,248	-
Dividend income	62,070	-	64,446	1
Gain on the bargain purchase (Note 27)	-	-	218,968	2
Other gains and losses	(47,456)	-	5,753	-
Gains (losses) on disposal of property, plant and equipment	95	-	178	-
Foreign exchange gains (losses)	(8,646)	-	(2,569)	-
Gains (losses) on financial assets at fair value through profit or loss	<u>16,110</u>	<u>-</u>	<u>33,966</u>	<u>-</u>
Total non-operating income and expenses	<u>699,315</u>	<u>5</u>	<u>9,966</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	3,289,752	22	657,540	6
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(349,000)</u>	<u>(2)</u>	<u>(124,755)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,940,752</u>	<u>20</u>	<u>532,785</u>	<u>5</u>

(Continued)

# NUVOTON TECHNOLOGY CORPORATION

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

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 19)	\$ (30,313)	-	\$ (19,446)	-
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	188,301	1	(73,467)	(1)
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	774,107	5	245,751	2
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(916,589)</u>	<u>(6)</u>	<u>(109,368)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>15,506</u>	<u>-</u>	<u>43,470</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,956,258</u>	<u>20</u>	<u>\$ 576,255</u>	<u>5</u>
EARNINGS PER SHARE (Notes 4 and 25)				
From continuing operations				
Basic	<u>\$ 7.27</u>		<u>\$ 1.81</u>	
Diluted	<u>\$ 6.99</u>		<u>\$ 1.72</u>	

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

(Concluded)

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Ordinary Share	Certificates of Bond-to-Stock Conversion	Capital Surplus	Retained Earnings		Other Equity		Total Equity
				Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2020	\$ 2,875,544	\$ -	\$ 2,906,976	\$ 541,722	\$ 917,229	\$ (18,984)	\$ 169,544	\$ 7,392,031
Appropriation of 2019 earnings (Note 21)								
Legal reserve	-	-	-	55,183	(55,183)	-	-	-
Cash dividends	-	-	-	-	(345,065)	-	-	(345,065)
Net profit for the year ended December 31, 2020	-	-	-	-	532,785	-	-	532,785
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(29,082)	(109,368)	181,920	43,470
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	503,703	(109,368)	181,920	576,255
Compensation cost of employee share options (Notes 21 and 24)	-	-	62,240	-	-	-	-	62,240
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 10 and 21)	-	-	-	-	82,399	-	(82,399)	-
Convertible bonds converted to ordinary shares (Note 15)	84,072	124,320	596,347	-	-	-	-	804,739
Issuance of ordinary shares for cash (Note 21)	800,000	-	2,231,168	-	-	-	-	3,031,168
BALANCE AT DECEMBER 31, 2020	<u>3,759,616</u>	<u>124,320</u>	<u>5,796,731</u>	<u>596,905</u>	<u>1,103,083</u>	<u>(128,352)</u>	<u>269,065</u>	<u>11,521,368</u>
Appropriation of 2020 earnings (Note 21)								
Legal reserve	-	-	-	58,610	(58,610)	-	-	-
Cash dividends	-	-	-	-	(311,733)	-	-	(311,733)
Net profit for the year ended December 31, 2021	-	-	-	-	2,940,752	-	-	2,940,752
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(48,395)	(916,589)	980,490	15,506
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,892,357	(916,589)	980,490	2,956,258
Dividends from claims extinguished by prescriptions	-	-	10	-	-	-	-	10
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 10 and 21)	-	-	-	-	138,095	-	(138,095)	-
Adjustments to share of changes in equities of associates	-	-	190,237	-	-	-	-	190,237
Convertible bonds converted to ordinary shares (Note 15)	412,485	(98,768)	884,833	-	-	-	-	1,198,550
BALANCE AT DECEMBER 31, 2021	<u>\$ 4,172,101</u>	<u>\$ 25,552</u>	<u>\$ 6,871,811</u>	<u>\$ 655,515</u>	<u>\$ 3,763,192</u>	<u>\$ (1,044,941)</u>	<u>\$ 1,111,460</u>	<u>\$ 15,554,690</u>

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

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 3,289,752	\$ 657,540
Adjustments for:		
Depreciation expense	236,575	228,131
Amortization expense	192,134	153,528
Finance costs	24,870	35,205
Expected credit loss (gain) recognized on accounts receivable	6,147	1,464
Interest income	(10,748)	(15,248)
Dividend income	(62,070)	(64,446)
Compensation cost of employee share options	-	62,240
Share of loss (profit) of subsidiaries and associates accounted for using equity method	(691,264)	290,819
Unrealized gain (loss)	9,133	(132)
Gain on the bargain purchase	-	(218,968)
(Gains) losses on disposal of property, plant and equipment	(95)	(178)
Other income	-	(5)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets at fair value through profit or loss	(7,627)	(3,570)
(Increase) decrease in accounts receivable	(261,621)	(84,139)
(Increase) decrease in accounts receivable from related parties	(46,522)	38,369
(Increase) decrease in other receivables	(45,945)	(148)
(Increase) decrease in inventories	(723,828)	(292,242)
(Increase) decrease in other current assets	(112,948)	30,120
Increase (decrease) in accounts payable	132,989	232,362
Increase (decrease) in accounts payable to related parties	87,195	14,965
Increase (decrease) in other payables	676,823	129,401
Increase (decrease) in provisions	(316,438)	-
Increase (decrease) in other current liabilities	(9,252)	145,109
Increase (decrease) in net defined benefit liabilities	(2,280)	(1,256)
Cash flows from (used in) operations	<u>2,364,980</u>	<u>1,338,921</u>
Income tax paid	(136,018)	(23,961)
Interest paid	(17,666)	(21,343)
Interest received	7,999	18,611
Dividend received	<u>62,070</u>	<u>64,446</u>
Net cash flows generated from (used in) operating activities	<u>2,281,365</u>	<u>1,376,674</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	(69,763)	-
Acquisition of intangible assets	(155,147)	(317,727)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,500	2,250
Acquisition of investments accounted for using equity method	(144,389)	(6,968,331)

(Continued)

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Dividends received from investments accounted for using equity method	\$ 2,918	\$ 2,695
Acquisition of property, plant and equipment	(141,298)	(202,301)
Proceeds from disposal of property, plant and equipment	95	184
(Increase) decrease in refundable deposits paid	528,989	(559,862)
(Increase) decrease in other receivables - time deposits	<u>-</u>	<u>249,900</u>
Net cash flows generated from (used in) investing activities	<u>25,905</u>	<u>(7,793,192)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	-	1,000,000
Proceeds from issuance of bonds	-	1,998,428
Repayments of the principal portion of lease liabilities	(56,063)	(54,570)
Proceeds from guarantee deposits received	1,902,861	12,958
Dividends paid to owners of the Company	(311,733)	(345,065)
Proceeds from issuance of ordinary shares	<u>-</u>	<u>3,031,168</u>
Net cash flows generated from (used in) financing activities	<u>1,535,065</u>	<u>5,642,919</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,842,335	(773,599)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,677,602</u>	<u>4,451,201</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,519,937</u>	<u>\$ 3,677,602</u>

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

(Concluded)



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## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Nuvoton Technology Corporation

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

## Occurrence of Sales Revenues

Revenue from the sale of goods is recognized when the customer received the goods and bear the risk. There is a significant risk on revenue recognition, and customers' line of credit and delivery of products are highly correlated to recognition of sales revenue. We therefore considered that the occurrence of sales revenue from the ten largest customers with temporary increase in their credit facilities in 2021 as a key audit matter for the year ended December 31, 2021. Refer to Note 4 to the consolidated financial statements for the Group's revenue recognition policies.

Our audit procedures in response to the occurrence of sales revenue included understanding the design and the implementation of internal control of sales revenue and selecting samples of revenue items to verify that revenue transactions have indeed occurred.

## **Other Matter**

We have also audited the parent company only financial statements of Nuvoton Technology Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the audit committee) are responsible for overseeing the Group's financial reporting process.

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

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

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

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

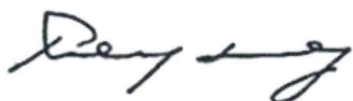
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



The engagement partners on the audit resulting in this independent auditors' report are Kenny Hong and Shu-Lin Liu.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 10, 2022

Notice to Readers

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

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

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

#### Occurrence of Sales Revenues

Revenue from the sale of goods is recognized when the customer received the goods and bear the risk. There is a significant risk on revenue recognition, and customers’ line of credit and delivery of products are highly correlated to recognition of sales revenue. We therefore considered that the occurrence of sales revenue from the ten largest customers with temporary increase in their credit facilities in 2021 as a key audit matter for the year ended December 31, 2021. Refer to Note 4 to the financial statements for the Company’s revenue recognition policies.

Our audit procedures in response to the occurrence of sales revenue included understanding the design and the implementation of internal control of sales revenue and selecting samples of revenue items to verify that sales transactions have indeed occurred.

#### Investments Accounted for Using Equity Method

As mentioned in Note 11 to the financial statements, the balance of investments accounted for using equity method amounted to NT\$9,633,744 thousand, representing 40% of the total assets. The amount is deemed to be significant to the financial statements, if the financial statements of the subsidiaries do not properly present the operating results of the current year or the investment gains and losses are not correctly recognized, deviations will occur in the amount of investments and share of the profit or loss using the equity method, and then have a significant impact to the financial statements. Thus we considered the aforementioned investments as a key audit matter for the year ended December 31, 2021.

Our audit procedures included obtaining audited financial statements of subsidiaries as of and for the year ended December 31, 2021 to verify and recalculate the accuracy of the balance of investments and the share of comprehensive income and loss of subsidiaries and associates accounted for using equity method.

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

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

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

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

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

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

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

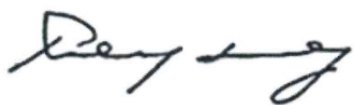
1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kenny Hong and Shu-Lin Liu.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 10, 2022

Notice to Readers

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

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

## **Review Report by the Audit Committee**

The Board of Directors has prepared the Company's 2021 Business Report, financial statements (including consolidated financial statements) and profit distribution proposal. The Board of Directors had engaged CPA Kou-Tien Hong and CPA Shu-Lin Liu from Deloitte & Touche to audit the financial statements, who issued an audited report containing an unqualified opinion. The above business report, financial statements and profit distribution proposal have been examined by the Audit Committee and are considered by the Audit Committee to be in conformity with the requirements. We hereby report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review the same.

To

2022 Annual General Shareholders Meeting of Nuvoton Technology Corporation

Convener of the Audit Committee: Allen Hsu

Date: March 15, 2022

**Nuvoton Technology Corporation**  
**Shareholdings of All Directors**

April 4, 2022

Title	Name	Current shareholding (Number of Shares)	Shareholding ratio (%)
Chairman	Winbond Electronics Corporation Representative: Yuan-Mou Su	214,954,635 shares	51.21%
Director	Arthur Yu-Cheng Chiao	0	0.00%
Director	Chin-Xin Investment Co., Ltd Representative: Yung Chin	5,440,219 shares	1.29%
Director	Ken-Shew Lu	0	0.00%
Director	Chi-Lin Wea	0	0.00%
Independent Director	Royce Yu-Chun Hong	0	0.00%
Independent Director	Allen Hsu	0	0.00%
Independent Director	David Shu-Chyuan Tu	0	0.00%
Independent Director	Jerry Hsu	0	0.00%
Shareholdings of All Directors		220,394,854 shares	52.50%

Notes: (1) The Company has a total of 419,765,268 issued shares as of April 4, 2022. Shareholdings of all directors are 220,394,854 shares and are in compliance with Article 26 of the Securities and Exchange Act.

(2) The Company has set up the Audit Committee and thus the requirement on the minimum shareholdings of all supervisors is not applicable.

**Nuvoton Technology Corporation**  
**Comparison Table of Amended Articles of Incorporation**

Amended Articles	Current Articles	Note
<p>Article 10</p> <p>Shareholders meetings of the Company are of two types: regular meetings and special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, whenever necessary. A preferred shareholders' meeting may be convened in accordance with relevant laws and regulations when necessary.</p> <p><u>The Company's shareholders meetings may be held by video conferencing or other means announced by the central competent authority.</u></p>	<p>Article 10</p> <p>Shareholders meetings of the Company are of two types: regular meetings and special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, whenever necessary. A preferred shareholders' meeting may be convened in accordance with relevant laws and regulations when necessary.</p>	<p>In accordance with Article 172-2 of the Company Act, as amended, promulgated on December 29, 2021, Paragraph 2 of this Article has been added.</p>
<p>Article 20</p> <p>The authorities of the Board of Directors are as follows:</p> <p>1. to 10. (Omitted)</p> <p>11. Review capital expenditure projects whose values are over NT\$<del>300</del> million (included). The Chairman of the Board of Directors is authorized to review and approve capital expenditure projects whose values are below the aforesaid amount.</p> <p>12. Appoint or remove corporate officials at the level of vice presidents and higher.</p> <p>13. Convene shareholders meetings <u>(including but not limited to the date, place and manner of holding the same)</u></p>	<p>Article 20</p> <p>The authorities of the Board of Directors are as follows:</p> <p>1. to 10. (Omitted)</p> <p>11. Review capital expenditure projects whose values are over NT\$<del>100</del> million (included). The Chairman of the Board of Directors is authorized to review and approve capital expenditure projects whose values are below the aforesaid amount.</p> <p>12. Appoint or remove corporate officials at the level of vice presidents and higher.</p> <p>13. Convene shareholders meetings and make business report.</p>	<p>1. In accordance with Paragraph 3 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the convention of virtual shareholders meetings shall</p>



Amended Articles	Current Articles	Note
<p>and make business report.</p> <p>14. Approve the Company's investments or transfers of shares whose value is above NT\$<del>300</del> million (included). The Chairman of the Board of Directors is authorized to review and approve investments or transfers of shares whose values are below the aforesaid amount.</p> <p>15. Appoint or dismiss auditing certified public accountant of the Company.</p> <p>16. Apply for financing, providing guarantees, acceptances and credit extension with, and raise debts from, financial institutions or third persons, whose value is above NT\$<del>300</del> million (included). The Chairman of the Board of Directors is authorized to review and approve those whose values are less than the aforesaid amount.</p> <p>17. to 19. (Omitted)</p> <p>When it is necessary and legally permissible, the Chairman of the Board of Directors may review, approve, or implement the matters listed in aforementioned paragraphs before reporting to the Board of Directors. When used for the same purposes, the matters specified in items 11, 14, and 16 of this Article shall not be divided for contracting or applied for, or implemented without prior approval.</p>	<p>14. Approve the Company's investments or transfers of shares whose value is above NT\$<del>100</del> million (included). The Chairman of the Board of Directors is authorized to review and approve investments or transfers of shares whose values are below the aforesaid amount.</p> <p>15. Appoint or dismiss auditing certified public accountant of the Company.</p> <p>16. Apply for financing, providing guarantees, acceptances and credit extension with, and raise debts from, financial institutions or third persons, whose value is above NT\$<del>100</del> million (included). The Chairman of the Board of Directors is authorized to review and approve those whose values are less than the aforesaid amount.</p> <p>17. to 19. (Omitted)</p> <p>When it is necessary and legally permissible, the Chairman of the Board of Directors may review, approve, or implement the matters listed in aforementioned paragraphs before reporting to the Board of Directors. When used for the same purposes, the matters specified in items 11, 14, and 16 of this Article shall not be divided for contracting or applied for, or implemented without prior approval.</p>	<p>be set forth in the Articles of Incorporation and approved by the Board of Directors.</p> <p>2. Paragraphs 11, 13 and 16 have been revised according to the actual operational needs of the Company.</p>
<p>Article 29</p> <p>These Articles of Incorporation were enacted on March 14, 2008.</p> <p>The first amendment was made on September 1, 2008.</p>	<p>Article 29</p> <p>These Articles of Incorporation were enacted on March 14, 2008.</p> <p>The first amendment was made on September 1, 2008.</p>	<p>The date of this amendment has been newly added.</p>

Amended Articles	Current Articles	Note
The second amendment was made on November 17, 2009.	The second amendment was made on November 17, 2009.	
The third amendment was made on June 10, 2011.	The third amendment was made on June 10, 2011.	
The fourth amendment was made on June 5, 2012.	The fourth amendment was made on June 5, 2012.	
The fifth amendment was made on June 10, 2015.	The fifth amendment was made on June 10, 2015.	
The sixth amendment was made on June 15, 2016.	The sixth amendment was made on June 15, 2016.	
The seventh amendment was made on June 12, 2018.	The seventh amendment was made on June 12, 2018.	
The eighth amendment was made on June 24, 2019.	The eighth amendment was made on June 24, 2019.	
The ninth amendment was made on December 6, 2019.	The ninth amendment was made on December 6, 2019.	
The tenth amendment was made on May 29, 2020.	The tenth amendment was made on May 29, 2020.	
The eleventh amendment was made on August 20, 2021.	The eleventh amendment was made on August 20, 2021.	
<u>The twelfth amendment was made on June 2, 2022.</u>		

**NUVOTON TECHNOLOGY CORPORATION**  
**Comparison Table of Amendments to Procedures of Acquisition or Disposal of Assets**

Articles After Amendment	Article Before Amendment	Note
<p>Article 9</p> <p>Professional Appraisers and their officers, certified public accountants, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall meet the following requirements:</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry associations to which they belong and</u> the following:</p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, it/he shall prudently assess its/his own professional capabilities, practical experience, and independence.</li> <li>2. When <b>executing</b> a case, it/he shall appropriately plan and execute adequate work process, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The relevant work procedures, data collected, and conclusion shall be fully and accurately specified in the working papers for the case.</li> <li>3. It/he shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data, the parameters, and the</li> </ol>	<p>Article 9</p> <p>Professional Appraisers and their officers, certified public accountants, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall meet the following requirements:</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, it/he shall prudently assess its/his own professional capabilities, practical experience, and independence.</li> <li>2. When <b>examining</b> a case, it/he shall appropriately plan and execute adequate work process, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The relevant work procedures, data collected, and conclusion shall be fully and accurately specified in the working papers for the case.</li> <li>3. It/he shall undertake an item-by-item evaluation of the <del>comprehensiveness, accuracy,</del> and reasonableness of the sources of data, the parameters, and the information used, as the basis for</li> </ol>	<p>In line with the amendments to the regulations, the procedures to be complied with and responsibilities of external experts have been clarified.</p>

Articles After Amendment	Article Before Amendment	Note
<p>information used, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. It/he shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that it/he has evaluated and found that the information used is <u>appropriate and</u> reasonable, and that it/he has complied with applicable laws and regulations.</p> <p>However, if the Company acquires or disposes of assets through a court auction, the court certificates may substitute for appraisal reports or the certified public accountant's opinions.</p>	<p>issuance of the appraisal report or the opinion.</p> <p>4. It/he shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that it/he has evaluated and found that the information used is reasonable <del>and accurate</del>, and that it/he has complied with applicable laws and regulations.</p> <p>However, if the Company acquires or disposes of assets through a court auction, the court certificates may substitute for appraisal reports or the certified public accountant's opinions.</p>	
<p>Article 14</p> <p>The procedures of acquisition or disposition of securities.</p> <p>(1) For the acquisition or disposal of negotiable securities, the Responsible Unit should attach the relevant evaluation report and submit the application to the head-in-charge of the Responsible Unit. Transaction amounts less than but not including NT\$<del>3</del>00 million can be approved by the Chairman and authorized for processing by the Responsible Unit. Transaction amounts greater than (inclusive) NT\$<del>3</del>00 million, should be submitted to the Audit Committee and Board of Directors for authorization. If the acquisition or disposition of securities is for the same purpose, it is not allowed to file different applications. When</p>	<p>Article 14</p> <p>The procedures of acquisition or disposition of securities.</p> <p>(1) For the acquisition or disposal of negotiable securities, the Responsible Unit should attach the relevant evaluation report and submit the application to the head-in-charge of the Responsible Unit. Transaction amounts less than but not including NT\$<del>1</del>00 million can be approved by the Chairman and authorized for processing by the Responsible Unit. Transaction amounts greater than (inclusive) NT\$<del>1</del>00 million, should be submitted to the Audit Committee and Board of Directors for authorization. If the acquisition or disposition of securities is for the same purpose, it is not allowed to file different applications. When</p>	<p>To adjust the amount of approval of transactions according to practical needs, and to clarify the procedures to be followed by external experts in accordance with the amendments to the regulations.</p>

Articles After Amendment	Article Before Amendment	Note
<p>engaging in different transactions for the acquisition or disposition of securities, they should proceed in accordance with Paragraph (3) of this Article.</p> <p>(2) In connection with the acquisition or disposition of securities for transaction purpose, the Responsible Unit is authorized to engage in the transaction within the investment quota approved by the board of directors meeting. After completion of the transaction, the Responsible Unit should report to the head-in-charge of the Responsible Unit.</p> <p>(3) If the Company acquires or disposes of securities which are not listed or traded on the stock exchange or over-the-counter market, the Company shall, prior to the Date of Occurrence of the event, obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. In addition, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the Company shall additionally engage a certified public accountant prior to the Date of Occurrence of the event to provide an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to securities which have publicly quoted prices from an active market, or where otherwise provided by regulations of</p>	<p>engaging in different transactions for the acquisition or disposition of securities, they should proceed in accordance with Paragraph (3) of this Article.</p> <p>(2) In connection with the acquisition or disposition of securities for transaction purpose, the Responsible Unit is authorized to engage in the transaction within the investment quota approved by the board of directors meeting. After completion of the transaction, the Responsible Unit should report to the head-in-charge of the Responsible Unit.</p> <p>(3) If the Company acquires or disposes of securities which are not listed or traded on the stock exchange or over-the-counter market, the Company shall, prior to the Date of Occurrence of the event, obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. In addition, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the Company shall additionally engage a certified public accountant prior to the Date of Occurrence of the event to provide an opinion on the reasonableness of the transaction price. <del>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards published by the Accounting</del></p>	

Articles After Amendment	Article Before Amendment	Note
<p>the FSC.</p> <p>(4) Omitted.</p>	<p><del>Research and Development Foundation ("ARDF")</del>. This requirement does not apply, however, to securities which have publicly quoted prices from an active market, or where otherwise provided by regulations of the FSC.</p> <p>(4) Omitted.</p>	
<p>Article 15</p> <p>Procedures for acquisition or disposal of real property and its right-of-use assets</p> <p>(1) The Responsible Unit should submit the purpose or use, the basis of determination of transaction price and transaction method for the acquisition or disposition of real property, to the head-in-charge of the Responsible Unit for his/her approval and then submit it to the Audit Committee and board of directors for approval. For transactions of the right-of-use assets of real property in the amount reaching NT\$<del>300</del> million or above, the Responsible Unit shall follow the above procedure and then submit to the Audit Committee and the board of directors for approval.</p> <p>(2) Omitted.</p> <p>(3) In acquiring or disposing of real property or its right-of-use assets from or to a Related Party or in acquiring or disposing of any other assets which are not real property or its right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital ,or 10% of the Company's total assets, or NT\$300,000,000 or above, except in the trading of domestic government</p>	<p>Article 15</p> <p>Procedures for acquisition or disposal of real property and its right-of-use assets</p> <p>(1) The Responsible Unit should submit the purpose or use, the basis of determination of transaction price and transaction method for the acquisition or disposition of real property, to the head-in-charge of the Responsible Unit for his/her approval and then submit it to the Audit Committee and board of directors for approval. For transactions of the right-of-use assets of real property in the amount reaching NT\$<del>100</del> million or above, the Responsible Unit shall follow the above procedure and then submit to the Audit Committee and the board of directors for approval.</p> <p>(2) Omitted.</p> <p>(3) In acquiring or disposing of real property or its right-of-use assets from or to a Related Party or in acquiring or disposing of any other assets which are not real property or its right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital ,or 10% of the Company's total assets, or NT\$300,000,000 or above, except in the trading of domestic government</p>	

Articles After Amendment	Article Before Amendment	Note
<p>bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed with execution of a transaction contract or making any payment unless and until the following information has been submitted for approval from the Audit Committee and board of directors meeting:</p> <p>1. to 10. Omitted</p> <p><u>If a subsidiary of the Company enters into a transaction referred to in the preceding Paragraph in a transaction amount reaching 10% or more of the Company's total assets, the Company shall submit the information listed in Subparagraph 1 hereof to the shareholders meeting for approval before signing the transaction contract and making payment. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>(4) to (6) Omitted.</p>	<p>bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed with execution of a transaction contract or making any payment unless and until the following information has been submitted for approval from the Audit Committee and board of directors meeting:</p> <p>1. to 10. Omitted</p> <p>(4) to (6) Omitted.</p>	
<p>Article 17</p> <p>The procedures of acquisition or disposition of equipment or its right-of-use assets</p> <p>(1) Where the Responsible Unit is acquiring a fixed asset or its right-of-use assets, it should comply with the procedures of negotiation and evaluation of transaction price and should submit to the Chairman for approval; when disposing of a fixed</p>	<p>Article 17</p> <p>The procedures of acquisition or disposition of equipment or its right-of-use assets</p> <p>(1) Where the Responsible Unit is acquiring a fixed asset or its right-of-use assets, it should comply with the procedures of negotiation and evaluation of transaction price and should submit to the Chairman for approval; when disposing of a fixed</p>	<p>To adjust the transaction approval amount according to practical needs</p>

Articles After Amendment	Article Before Amendment	Note
<p>asset, it should handle in accordance with the asset depreciation procedure; however, if the transaction amount reaches NT\$<del>300</del> million or above, it should be submitted to the Audit Committee and the board of directors meeting for approval.</p> <p>(2) to (4) Omitted.</p>	<p>asset, it should handle in accordance with the asset depreciation procedure; however, if the transaction amount reaches NT\$<del>100</del> million or above, it should be submitted to the Audit Committee and the board of directors meeting for approval.</p> <p>(2) to (4) Omitted.</p>	
<p>Article 18</p> <p>The evaluation of real property, equipment or their right-of-use assets</p> <p>In acquiring or disposing of real property, equipment or their right-of-use assets, the Company should obtain an appraisal report in advance from a Professional Appraiser and shall further comply with the following provisions:</p> <p>(1) to (2) Omitted.</p> <p>(3) Where the Professional Appraiser's appraisal results in any of the following circumstances, unless all the appraised values of the assets to be acquired are higher than the transaction amount, or all the appraised values of the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and express a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>(a) Where the discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.</p>	<p>Article 18</p> <p>The evaluation of real property, equipment or their right-of-use assets</p> <p>In acquiring or disposing of real property, equipment or their right-of-use assets, the Company should obtain an appraisal report in advance from a Professional Appraiser and shall further comply with the following provisions:</p> <p>(1) to (2) Omitted.</p> <p>(3) Where the Professional Appraiser's appraisal results in any of the following circumstances, unless all the appraised values of the assets to be acquired are higher than the transaction amount, or all the appraised values of the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <del>in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF</del> and express a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>(a) Where the discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.</p>	<p>This Article has been amended in line with the amendments to the regulations.</p>



Articles After Amendment	Article Before Amendment	Note
<p>(b) Where the discrepancy between the appraisal results of two or more Professional Appraisers reaches 10% or more of the transaction amount.</p> <p>(4) Omitted</p>	<p>(b) Where the discrepancy between the appraisal results of two or more Professional Appraisers reaches 10% or more of the transaction amount.</p> <p>(4) Omitted</p>	
<p>Article 19</p> <p>The procedures of acquisition or disposition of memberships</p> <p>(1) Where the Responsible Unit acquires or disposes of memberships, if the transaction amount is below NT\$<u>300</u> million, the head-in-charge of the Responsible Unit is authorized to approve the transaction; if the transaction amount is NT\$<u>300</u> million or more, the transaction should be submitted to the Audit Committee and the board of directors meeting for approval.</p> <p>(2) Except for transactions with government agencies, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, an opinion on the fairness of the transaction price issued by a certified public accountant is required prior to the Date of Occurrence of the transaction, <u>in which opinion the certified public accountant should express a specific opinion as to the reason for the difference and the fairness of the transaction price.</u></p>	<p>Article 19</p> <p>The procedures of acquisition or disposition of memberships</p> <p>(1) Where the Responsible Unit acquires or disposes of memberships, if the transaction amount is below NT\$<del>10</del> million, the head-in-charge of the Responsible Unit is authorized to approve the transaction; if the transaction amount is NT\$<del>10</del> million or more, the transaction should be submitted to the Audit Committee and the board of directors meeting for approval.</p> <p>(2) Except for transactions with government agencies, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, an opinion on the fairness of the transaction price issued by a certified public accountant <del>in accordance with the Statement of General Auditing Procedures No. 20 published by the ARDF</del> is required prior to the Date of Occurrence of the transaction.</p>	<p>To adjust the amount of approval of transactions according to practical needs, and to clarify the procedures to be followed by and the responsibilities of external experts in accordance with the amendments to the regulations.</p>
<p>Article 20</p> <p>The procedures of acquisition or disposal of intangible assets or their right-of-use assets</p>	<p>Article 20</p> <p>The procedures of acquisition or disposal of intangible assets or their right-of-use assets</p>	<p>To adjust the transaction approval amount according to practical needs</p>

Articles After Amendment	Article Before Amendment	Note
<p>(1) to (3) Omitted.</p> <p>(4) If the transaction amount for an acquisition or disposal of intangible assets or their right-of-use assets reaches NT\$<del>300</del> million or above, such acquisition or disposal shall be submitted to the Audit Committee meeting and the board of directors meeting for approval.</p>	<p>(1) to (3) Omitted.</p> <p>(4) If the transaction amount for an acquisition or disposal of intangible assets or their right-of-use assets reaches NT\$<del>100</del> million or above, such acquisition or disposal shall be submitted to the Audit Committee meeting and the board of directors meeting for approval.</p>	
<p>Article 25</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the FSC in the prescribed format within two days commencing immediately from the Date of Occurrence of such fact:</p> <p>(1) to (5) Omitted.</p> <p>(6) Where an asset transaction other than those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, that the above shall not apply in the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign bonds with credit ratings not lower than the sovereign rating of Taiwan.</u></p> <p>(2) Trading of bonds under repurchase/resale agreements or subscription /purchase or repurchase of money market funds issued by domestic securities investment trust enterprises.</p>	<p>Article 25</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the FSC in the prescribed format within two days commencing immediately from the Date of Occurrence of such fact:</p> <p>(1) to (5) Omitted.</p> <p>(6) Where an asset transaction other than those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, that the above shall not apply in the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements or subscription /purchase or repurchase of money market funds issued by domestic securities</p>	<p>In accordance with the amendments to the regulations, the information disclosure of some transactions has been relaxed.</p>

Articles After Amendment	Article Before Amendment	Note
(Hereafter Omitted)	investment trust enterprises. (Hereafter Omitted)	
<p>Article 30</p> <p>These Procedures were formulated on July 14, 2008.</p> <p>The first amendment was made on June 10, 2009.</p> <p>The second amendment was made on June 5, 2012.</p> <p>The third amendment was made on June 14, 2013.</p> <p>The fourth amendment was made on June 12, 2014.</p> <p>The fifth amendment was made on June 15, 2016.</p> <p>The sixth amendment was made on June 14, 2017</p> <p>The seventh amendment was made on June 24, 2019</p> <p><u>The eighth amendment was made on June 2, 2022</u></p>	<p>Article 30</p> <p>These Procedures were formulated on July 14, 2008.</p> <p>The first amendment was made on June 10, 2009.</p> <p>The second amendment was made on June 5, 2012.</p> <p>The third amendment was made on June 14, 2013.</p> <p>The fourth amendment was made on June 12, 2014.</p> <p>The fifth amendment was made on June 15, 2016.</p> <p>The sixth amendment was made on June 14, 2017</p> <p>The seventh amendment was made on June 24, 2019</p>	<p>The date of this amendment has been added.</p>

## **Procedures of Acquisition or Disposal of Assets (After Amendment)**

### **I. Purpose**

To efficiently manage the procedures of acquisition and disposition of the Company's assets and to ensure the Company's rights and interests, the Company enacts these Procedures.

### **II. Objective**

To meet the Company's policies, to fully utilize resources and to properly acquire or dispose of assets to maximize the economic benefit to the Company.

### **III. Contents**

#### **Chapter I General**

Article 1: The scope of applicability of the term "Assets" as used in these Procedures is as follows:

- (1) Stocks, government bonds, corporate bonds, financial debentures, securities representing units of funds, depositary receipts, call (put) warrants, beneficiary securities, asset-backed securities.
- (2) Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
- (3) Memberships
- (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- (5) Right-of-use assets.
- (6) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- (7) Derivatives.
- (8) Assets acquired or disposed of through mergers, spin-offs, acquisitions or transfer of shares in accordance with law.
- (9) Other major assets.

Article 2: The term "Date of Occurrence" under these Procedures means the date of execution of contract, date of payment, date of consignment trade, date of transfer, date of board of directors meeting or any other date that can confirm the counterpart and the transaction amount, whichever date is earliest; provided that, where approval of the competent authority is required for such transaction, the earlier of the earliest date above or the date of receipt of approval by the competent authority shall apply.

Article 3: The term "Professional Appraiser" under these Procedures means a real property appraiser or other person duly authorized by laws to engage in the value appraisal of real property or equipment.

- Article 4: The term "Subsidiary" under these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- Article 5: The term "Related Party" under these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- Article 6: The term "Derivatives" under these Procedures means forward contracts, options contracts, futures contracts, leverage contracts and swap, whose value is derived from, specific interest rates, financial instrument prices, commodity prices, exchange rates, indexes of prices or rates, credit rating or credit index, or other variables; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "Forward Contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts or long-term purchase (sales) contracts.
- Article 7: "Assets acquired or disposed of through mergers, spin-offs, acquisitions or assignment of shares in accordance with law" under these Procedures means assets acquired or disposed of through mergers, spin-offs or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and/or other acts/laws, or acquisitions of shares through issuance of new shares of its own as the consideration therefore (hereinafter "Assignment of Shares") under Article 156-3 of the Company Act.
- Article 8: The term "Mainland Area Investment" means investments in People's Republic of China conducted in accordance with the provisions of the "Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area" promulgated by the Investment Commission of the Ministry of Economic Affairs.
- Article 9: Professional Appraisers and their officers, certified public accountants, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall meet the following requirements:
1. It/he shall not have previously received a final and unappealable sentence to imprisonment for one (1) year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime; provided, however, that this provision does not apply if three (3) years have already passed since the completion of the term of the imprisonment sentence, since expiration of the period of a probation, or since it/he was pardoned.
  2. It/he may not be a Related Party or de facto Related Party of any party to the transaction.
  3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers

may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and the following:

1. Prior to accepting a case, it/he shall prudently assess its/his own professional capabilities, practical experience, and independence.
2. When executing a case, it/he shall appropriately plan and execute adequate work process, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The relevant work procedures, data collected, and conclusion shall be fully and accurately specified in the working papers for the case.
3. It/he shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data, the parameters, and the information used, as the basis for issuance of the appraisal report or the opinion.
4. It/he shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that it/he has evaluated and found that the information used is appropriate and reasonable, and that it/he has complied with applicable laws and regulations.

However, if the Company acquires or disposes of assets through a court auction, the court certificates may substitute for appraisal reports or the certified public accountant's opinions.

#### Article 10: Responsible Unit

The Responsible Unit under these Procedures means the business operating unit designated by the Company based on the nature of each business of the Company.

Article 11: The total amount for purchase of non-operating real property and its right-of-use assets may not exceed 100% of the ownership equity of the Company; the total amount for investment in securities may not exceed 300% of the ownership equity of the Company; the amount for investment in individual securities may not exceed 300% of the ownership equity of the Company.

Article 12: The restriction on the amount any Subsidiary of the Company may use to purchase non-operating real property and its right-of-use assets and to invest in securities or each individual securities are as follows:

- (1) If such Subsidiary's main business is investment:

The restriction on the amount for such Subsidiary to purchase non-operating real property and its right-of-use assets may not exceed 10% of the ownership equity of such Subsidiary; the restriction on the amount for such Subsidiary to invest in securities may not exceed the paid-in capital of such Subsidiary or 300% of ownership equity of such subsidiary, whichever is higher; however, the amount for investment in individual securities may not exceed the paid-in capital of such Subsidiary or 300% of the ownership equity of such Subsidiary, whichever is

higher; provided, however, that the investment holding companies in which the Company holds 100% issued shares are not subject to the above restrictions (an investment holding company referred to above means a company having investment professionals for the purpose of controlling other companies' operations).

- (2) If such Subsidiary's main business is not investment:

The restriction on the amount for such Subsidiary to purchase non-operating real property and its right-of-use assets may not exceed 100% of the ownership equity of such Subsidiary; the restriction on the amount to invest in securities may not exceed the paid-in capital of such Subsidiary or 300% of the ownership equity of such Subsidiary, whichever is higher; however, the amount for investment in individual securities may not exceed the paid-in capital of such Subsidiary or 300% of the ownership equity of such Subsidiary, whichever is higher.

Article 13: Each Subsidiary of the Company shall enact its "Procedures of Acquisition or Disposal of Assets" in accordance with "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission ("FSC") and these Procedures.

The acquisition or disposal of assets by each Subsidiary shall comply with the "Procedures of Acquisition or Disposal of Assets" of each such Subsidiary. And, the Internal Audit of the Company will examine the relevant matters relating to the self-inspection report of its Subsidiary.

## **Chapter II Procedures**

Article 14: The procedures of acquisition or disposal of securities

1. For the acquisition or disposal of negotiable securities, the Responsible Unit should attach the relevant evaluation report and submit the application to the head-in-charge of the Responsible Unit. Transaction amounts less than but not including NT\$300 million can be approved by the Chairman and authorized for processing by the Responsible Unit. Transaction amounts greater than (inclusive) NT\$300 million, should be submitted to the Audit Committee and Board of Directors for authorization. If the acquisition or disposition of securities is for the same purpose, it is not allowed to file different applications. When engaging in different transactions for the acquisition or disposition of securities, they should proceed in accordance with Paragraph 3 of this Article.
2. In connection with the acquisition or disposition of securities for transaction purpose, the Responsible Unit is authorized to engage in the transaction within the investment quota approved by the board of directors meeting. After completion of the transaction, the Responsible Unit should report to the head-in-charge of the Responsible Unit.
3. If the Company acquires or disposes of securities which are not listed or traded on the stock exchange or over-the-counter market, the Company shall, prior to

the Date of Occurrence of the event, obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. In addition, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the Company shall additionally engage a certified public accountant prior to the Date of Occurrence of the event to provide an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to securities which have publicly quoted prices from an active market, or where otherwise provided by regulations of the FSC.

4. In connection with Mainland Area Investment, approval from competent authorities should be obtained before proceeding with the transaction. Upon engaging in the investment, the transaction should be handled in accordance with this Article.

#### Article 15: Procedures for acquisition or disposal of real property and its right-of-use assets

- (1) The Responsible Unit should submit the purpose or use, the basis of determination of transaction price and transaction method for the acquisition or disposition of real property, to the head-in-charge of the Responsible Unit for his/her approval and then submit it to the Audit Committee and board of directors for approval. For transactions of the right-of-use assets of real property in the amount reaching NT\$300 million or above, the Responsible Unit shall follow the above procedure and then submit to the Audit Committee and the board of directors for approval.
- (2) In acquiring or disposing real property or its right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300,000,000 or above, unless transacting with a domestic government agency, commissioning others to build on its own land, or commissioning others to build on rented land, an appraisal report should be obtained in advance from a Professional Appraiser and the transaction should be complied with the provisions of Article 18 of these Procedures.
- (3) In acquiring or disposing of real property or its right-of-use assets from or to a Related Party or in acquiring or disposing of any other assets which are not real property or its right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital, or 10% of the Company's total assets, or NT\$300,000,000 or above, except in the trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed with execution of a transaction contract or making any payment unless and until the following information has been submitted for approval from the Audit Committee and board of directors meeting:
  1. The purpose, necessity and anticipated benefit of the real property acquisition or disposal.



2. The reason for choosing the related party as a trading counterparty.
3. The relevant information regarding appraisal of the reasonableness of the preliminary transaction terms for acquisition of real property or its right-of-use assets from a Related Party in accordance with the provisions of Paragraphs (5) and (6) of this Article.
4. The date and price at which the Related Party originally acquired the real property, the original trading counterparty and that trading counterparty's relationship with the Company and the Related Party.
5. Monthly cash flow forecasts for the year commencing from the month of anticipated signing of the contract and evaluation of the necessity of the transaction and reasonableness of the use of proceeds.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Paragraph (2) of this Article.
7. Restrictive terms and other important stipulations associated with the transaction.
8. The calculation of the transaction amount shall be conducted in accordance with Paragraph 2 of Article 25, and "within the preceding year" as used herein refers to the year preceding the Date of Occurrence of the transaction. Items that have been approved by the Audit Committee and the board of directors need not be counted toward the transaction amount.
9. When a matter is submitted for discussion by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.
10. The items which requires approval of the Audit Committee need first be approved by more than half of all Audit Committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Paragraphs 3 and 4 of Article 29.

If a subsidiary of the Company enters into a transaction referred to in the preceding Paragraph in a transaction amount reaching 10% or more of the Company's total assets, the Company shall submit the information listed in Subparagraph 1 hereof to the shareholders meeting for approval before signing the transaction contract and making payment. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

- (4) Where the right-of-use assets of real property for operational use are acquired or disposed of by and between the Company and its parent company, Subsidiaries, or by and among the Company's Subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or capital, the Chairman of the

board of directors is authorized to approve the transaction with the transaction amount of less than NT\$300 million first and then the transaction after consummation shall be submitted to the Audit Committee and the board of director ratification.

- (5) In acquiring real property or its right-of-use assets from a Related Party, the reasonableness of the transaction costs shall be evaluated by the following means:
1. Based upon the Related Party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer in accordance with the law. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance of the ROC.
  2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan. The actual cumulative amount loaned by the financial institution shall have reached 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a Related Party of one of the trading counterparties.
  3. Where land and building(s) thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and building(s) may be separately appraised in accordance with the provisions of the above items.
  4. If the Company acquires real property or its right-of-use assets from a Related Party and appraises the cost of the real property or its right-of-use assets in accordance with items 1, 2 and 3 of Paragraph (5) of this Article, a certified public accountant shall also be engaged to check the appraisal and render a specific opinion.
  5. Where the Company acquires real property or its right-of-use assets from a Related Party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph (3) of this Article and the provisions of the preceding four items do not apply:
    - (A) The Related Party acquired the real property or its right-of-use assets through inheritance or as a gift.
    - (B) More than five years have elapsed from the time the Related Party signed the contract to obtain the real property or its right-of-use assets to the signing date for the current transaction.
    - (C) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

- (D) The right-of-use assets of real property for operational use are acquired or disposed of by and between the Company and its parent company or Subsidiaries, or by and among the Company's Subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or capital.
- (6) When the results of the Company's appraisal conducted in accordance with the provisions of items 1, 2 and 3 of the preceding Paragraph are all lower than the transaction price, the transaction shall be conducted in accordance with Article 16 hereof. However, if any of the following circumstances exists, and objective evidence has been submitted and specific opinions on reasonableness of the transaction price from a professional real property appraiser and a certified public accountant have been obtained, the preceding sentence shall not apply:
1. Where the Related Party acquired undeveloped land or leased land for development, it may submit of compliance with one of the following conditions:
    - (A) Where aggregate values of the undeveloped land appraised in accordance with the means in the preceding Paragraph and the building(s) according to the Related Party's construction cost plus reasonable construction profit are in excess of the actual transaction price. "Reasonable Construction Profit" shall be the average gross operating profit margin of the Related Party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
    - (B) Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring property, where the land/building area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard real property sale/purchase market practices or leasing practice.
  2. Where the Company acquiring real property or obtaining the right-of-use assets of real property through leasing from a Related Party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring real property of a similar size by unrelated parties within the preceding year.

Transactions for neighboring real property in the preceding two items in principle refer to real property on the same or an adjacent block and within a distance of no more than 500 meters or close in publicly announced current value; a transaction with similar size in principle refers to a transaction by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; "within one year" refers to the year preceding the actual date of acquisition of the real property or its right-of-use

assets.

Article 16: Where the Company acquires real property or its right-of-use assets from a Related Party and the results of appraisals conducted in accordance with the provisions of Paragraphs (5) and (6) of Article 15 are uniformly lower than the transaction price, the following shall be done:

- (1) The difference between the real property or its right-of-use assets transaction price and the appraised costs shall be set aside as a special reserve in accordance with the Paragraph 1 of Article 41 of the Securities and Exchange Act and may not be distributed or used for capital increase and issuance of bonus shares. If an investor that has investment in the Company and adopts the equity method for such investment and is a public company, in relation to its share of the above special reserve set aside by the Company, it shall also set aside a special reserve under Paragraph 1 of Article 41 of the Securities and Exchange Act in proportion to its shareholding.
- (2) Members of the Audit Committee who are independent directors shall comply with the provisions of Article 218 of the Company Act.
- (3) The circumstances of handling under the above subparagraphs 1 and 2 shall be reported to the shareholders meeting and the detailed contents of the transaction disclosed in the annual report and prospectus.
- (4) If the Company has set aside a special reserve under this Article, the Company shall not utilize such special reserve until it has recognized a loss due to price decline for the assets it purchased or leased at a premium, or they have been disposed of, or the lease contract has been terminated, or adequate compensation has been made, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and the FSC has agreed with the utilization.
- (5) The Company shall also comply with the provisions of the preceding four subparagraphs when acquiring real property or its right-of-use asset from a Related Party if there is other evidence indicating that the transaction is in any way inconsistent with regular business practices.

Article 17: The procedures of acquisition or disposition of equipment or its right-of-use assets

- (1) Where the Responsible Unit is acquiring a fixed asset or its right-of-use assets, it should comply with the procedures of negotiation and evaluation of transaction price and should submit to the Chairman for approval; when disposing of a fixed asset, it should handle in accordance with the asset depreciation procedure; however, if the transaction amount reaches NT\$300 million or above, it should be submitted to the Audit Committee and the board of directors meeting for approval.
- (2) If the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, unless transacting with a government agency or acquisition or disposal of the equipment or its right-of-use asset for operational use, prior to the Date of Occurrence of the transaction, an appraisal should be obtained

by a Professional Appraiser who should issue an appraisal report and the transaction should be complied with Article 18 of these Procedures.

- (3) Acquisition or disposal of assets other than real property or its right-of-use assets from or to a Related Party must comply with Paragraph (3) of Article 15 of these Procedures.
- (4) Where equipment or its right-of-use assets for operational use are acquired or disposed of by and between the Company and its parent company, Subsidiaries, or by and among the Company's Subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or capital, the Chairman of the board of directors is authorized to approve the transaction with the transaction amount of less than NT\$300 million first and then the transaction after consummation shall be submitted to the Audit Committee and the board of directors for ratification.

Article 18: The evaluation of real property, equipment or their right-of-use assets

In acquiring or disposing of real property, equipment or their right-of-use assets, the Company should obtain an appraisal report in advance from a Professional Appraiser and shall further comply with the following provisions:

- (1) Where due to special circumstances a limited price, specified price or special price must be given as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any subsequent changes to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more Professional Appraisers shall be obtained.
- (3) Where the Professional Appraiser's appraisal results in any of the following circumstances, unless all the appraised values of the assets to be acquired are higher than the transaction amount, or all the appraised values of the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and express a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:
  - (a) Where the discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.
  - (b) Where the discrepancy between the appraisal results of two or more Professional Appraisers reaches 10% or more of the transaction amount.
- (4) No more than 3 months may elapse between the date of the appraisal report issued by a Professional Appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and no more than six months have elapsed, an opinion may still be issued by the original Professional Appraiser.

Article 19: The procedures of acquisition or disposition of memberships

- (1) Where the Responsible Unit acquires or disposes of memberships, if the transaction amount is below NT\$300 million, the head-in-charge of the Responsible Unit is authorized to approve the transaction; if the transaction amount is NT\$300 million or more, the transaction should be submitted to the Audit Committee and the board of directors meeting for approval.
- (2) Except for transactions with government agencies, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, an opinion on the fairness of the transaction price issued by a certified public accountant is required prior to the Date of Occurrence of the transaction, in which opinion the certified public accountant should express a specific opinion as to the reason for the difference and the fairness of the transaction price.

Article 19-1: Calculation of the transaction price provided in Articles 14, 15, 17, 19 and 20 shall be conducted in accordance with Paragraph 2 of Article 25 hereof, and "within one year" as used herein refers to the year preceding the Date of Occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 20: The procedures of acquisition or disposal of intangible assets or their right-of-use assets

- (1) Where a legal basis exists for the development of products, whether jointly by the Company and other entities, or by the Company on behalf of another entity, or by another entity on behalf of the Company, or for the Company to obtain certain techniques or processes developed by other entities, and the parties agree to have any intangible asset or its right-of-use assets resulting from such development to be owned by the Company, the authority to approve the acquisition or disposal of such intangible asset should rest with the head of the relevant center. Any agreement proposing to have any intangible assets or their right-of-use assets resulting from such development, joint or otherwise, to be owned either jointly by the Company and another entity or by such other entity must in principle be approved by the head of the relevant business group; any agreement proposing to have another entity to acquire any existing intangible assets or their right-of-use assets which the Company intends to dispose must in principle be approved by the head of the relevant business group, unless it is otherwise required to be approved by a higher ranking officer in accordance with relevant laws or regulations, board of directors or other rules of the Company at the time of the acquisition or disposal.
- (2) If the transaction amount for acquisition or disposal of intangible assets or their right-of-use assets reaches 20% or more of the Company's paid-in capital or NT\$3 million or above, it should comply with Paragraphs 2 of Article 19 of these Procedures.
- (3) When the Company intends to acquire or dispose of intangible assets or their right-of-use assets from or to a Related Party and the transaction amount reaches

20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for transactions with domestic government agencies, the transaction should be conducted in accordance with Paragraphs 1 and 2 of this Article and Paragraph 3 of Article 15 of these Procedures.

- (4) If the transaction amount for an acquisition or disposal of intangible assets or their right-of-use assets reaches NT\$300 million or above, such acquisition or disposal shall be submitted to the Audit Committee meeting and the board of directors meeting for approval.

Article 21: The procedures of acquisition or disposal when engaging in Derivatives trading

When the Finance Department engages in Derivatives trading, the Derivatives are limited to the financial Derivatives only and such trading shall be handled in accordance with the "Procedures for Engaging In Financial Derivatives Transactions" of the Company.

The Company shall supervise its Subsidiaries to draw up the relevant rules to manage the engagement in Derivatives trading and shall supervise its Subsidiaries to comply with the Derivatives trading rules. The Internal Audit will examine the relevant matters relating to the self-inspection report of its Subsidiaries. If any of the Company's Subsidiaries does not intend to engage in derivatives trading, it may, after obtaining the approval of its board of directors, be exempted from establishing the procedures governing derivatives trading. If it subsequently wishes to engage in derivatives trading, it shall still comply with Article 29 and the preceding paragraph before doing so.

Article 22: The procedures of acquisition or disposal of assets through mergers, spin-offs, acquisitions or assignment of shares

- (1) Where the Company conducts a merger, spin-off, acquisition, or assignment of shares, the Responsible Unit shall attach evaluation explanation which shall be approved by the Chairman and, prior to convening the meeting of the Audit Committee and the board meeting for resolution, retain a certified public accountant, attorney-in-law or securities underwriter to issue an opinion on the reasonableness of the share exchange ratio, acquisition price or distribution of cash or other property to shareholders and submit it to the Audit Committee and the board of directors for approval. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger of a Subsidiary in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between Subsidiaries in which the Company directly or indirectly holds 100% of the respective Subsidiaries' issued shares or authorized capital.
- (2) Where the Company participates in a merger, spin-off or acquisition, a public report to shareholders shall be prepared detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the

shareholders meeting and such report should be included along with the expert opinion referred to in Paragraph (1) of this Article when sending convention notice of the shareholders meeting for reference in deciding whether to approve such merger, spin-off, or acquisition; provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.

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

- (3) The Company participating in a merger, spin-off, or acquisition shall convene the board meeting and the shareholders meeting on the same day as other parties to the transaction to resolve relevant matters of the merger, spin-off, or acquisition, unless otherwise provided by other laws or regulations or reported to and approved by the FSC in advance due to extraordinary circumstances.

The Company participating in an assignment of shares shall convene the board meeting on the same day as other parties to the transaction, unless otherwise provided by other laws or regulations or reported to and approved by the FSC in advance due to extraordinary circumstances.

- (4) Where the Company participates in a merger, spin-off, acquisition, or assignment of shares, the Company shall prepare a complete written record of the following information and preserve it for five years for check:
  1. Personnel's basic information: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the plan or execution of any merger, spin-off, acquisition, or assignment of shares prior to the disclosure of the information.
  2. Dates of material events: including the dates of signing of any letter of intent or memorandum of understanding, engagement of financial or legal advisor(s), execution of contract(s) and convention of a board of directors meeting.
  3. Important documents and minutes: including plan of any merger, spin-off, acquisition, and assignment of shares, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
- (5) Where the Company participates in a merger, spin-off, acquisition, or assignment of shares, the Company shall, within two days commencing immediately from the date of the resolution of the board of directors approving such transaction, report the information set out in Subparagraphs 1 and 2 of the preceding Paragraph in



the prescribed format via the Internet-based information system to the FSC for filing.

- (6) Every person participating in or privy to the plan for any merger, spin-off, acquisition, or assignment of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity securities of any company related to the plan for any merger, spin-off, acquisition, or assignment of shares.
- (7) The Company participating in a merger, spin-off, acquisition, or assignment of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or assignment of shares:
  1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
  2. An action, such as a disposal of major assets, which affects the Company's financial conditions and operations.
  3. An event, such as a material disaster or material change in technology that affects shareholder equity or share price.
  4. An adjustment where any of the companies participating in the merger, spin-off, acquisition, or assignment of shares from another company, buys back treasury stock.
  5. An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or assignment of shares.
  6. Other terms/conditions provided in the contract for alteration and have been publicly disclosed.
- (8) The contract for a merger, spin-off, acquisition, or assignment of shares participated by the Company shall record the rights and obligations of the companies participating in the merger, spin-off, acquisition, or assignment of shares, and shall also record the following:
  1. Handling of breach of contract.
  2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is dissolved in a merger or that is spun off.
  3. The amount of treasury stock that the participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  4. The manner of handling changes in the number of participating entities or

companies.

5. Anticipated progress schedule for plan execution, and anticipated completion date.
  6. Scheduled date for convening the shareholders meeting in accordance with laws and regulations if the plan exceeds the deadline without completion, and relevant procedures.
- (9) After public disclosure of the information, if the Company participating in a merger, spin-off, acquisition, or assignment of shares intends further to carry out a merger, spin-off, acquisition, or assignment of shares with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, acquisition, or assignment of shares; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (10) Where a company participating in a merger, spin-off, acquisition, or assignment of shares is not a company listed on the stock exchanges or traded on over-the-counter markets, the Company shall sign an agreement with the non-public company, and comply with the provisions of Paragraphs (3), (4), (5), (6) and (9) of this Article.

**Article 23: Other major assets**

The procedures for the acquisition or disposal of other major assets should be handled in accordance with Article 19 of these Procedures.

**Article 24:** Where the Company's acquisition or disposal of assets is subject to the approval of the board of directors under these Procedures or other acts or regulations, such transaction should be first approved by more than half of all Audit Committee members and then submitted to the board of directors for resolution and Paragraphs 3 and 4 of Article 29 shall apply *mutatis mutandis*.

Where an acquisition or disposal of assets transaction is submitted to the board of directors for deliberation under the preceding Paragraph, the opinions of each independent director shall be given full consideration and their dissenting or qualified opinion shall be entered into the meeting minutes.

Any transaction conducted by the Company involving major assets or Derivatives trading shall be approved by more than half of all Audit Committee members and submitted to the board of directors for resolution, and Paragraphs 3 and 4 of Article 29 shall apply *mutatis mutandis*.

**Chapter III Public Disclosure of Information**

**Article 25:** Under any of the following circumstances, the Company acquiring or disposing of

assets shall publicly announce and report the relevant information on the website designated by the FSC in the prescribed format within two days commencing immediately from the Date of Occurrence of such fact:

- (1) Acquisition or disposal of real property or its right-of-use assets from or to a Related Party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a Related Party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. This shall not apply to the trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.
- (2) Merger, spin-off, acquisition, or assignment of shares.
- (3) Where losses from Derivatives trading reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (4) Where equipment or its right-of-use assets for operating use are acquired or disposed of, and the transaction counterparty is not a Related Party and the transaction amount reaches any of the following thresholds:
  1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (5) Where land is acquired under an arrangement for commissioned construction on self-owned land or on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a Related Party and the amount the Company expects to invest in the transaction is less than NT\$500 million.
- (6) Where an asset transaction other than those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, that the above shall not apply in the following circumstances:
  1. Trading of domestic government bonds or foreign bonds with credit ratings not lower than the sovereign rating of Taiwan.
  2. Trading of bonds under repurchase/resale agreements or subscription /purchase or repurchase of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- (1) The amount of any individual transaction.
- (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.

- (3) The cumulative transaction amount of real property or its right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.
- (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.

"Within one year" as used in the preceding Paragraph refers to the year preceding the Date of Occurrence of the current transaction. Items publicly announced in accordance with these Procedures need not be counted toward the transaction amount.

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

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

Where the Company acquires or disposes of assets, the division in charge shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of certified public accountants, attorneys or securities underwriters at the Company, where they shall be stored for five years, unless otherwise provided by laws.

Article 26: Under any of the following circumstances, the Company, after publicly announcing and reporting the transaction in accordance with the preceding Article, shall publicly announce and report the relevant information on the website designated by the FSC within two days commencing immediately from the Date of Occurrence of such fact:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, spin-off, acquisition, or assignment of shares is not completed by the scheduled date set forth in the contract.
3. Change to any publicly announced and reported information.

Article 27: Information required to be reported in accordance with the provisions of Chapter II hereof on acquisitions and disposals of assets by any Subsidiary of the Company that is not a domestic public company shall be reported by the relevant division in charge of the Company.

The paid-in capital or total assets of the Company shall be the standard for determining whether a transaction conducted by a Subsidiary referred to in the preceding paragraph reaches the threshold relative to paid-in capital or total assets, which requires public announcement and regulatory filing under Paragraph 1 of Article 25.

## **Chapter IV Penalty**

When managers or persons in charge violate these Procedures or the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the FSC, the Human Resources Division will make a proposal for penalty according to the severity of violation by each person based on the facts and evidence provided by the Responsible Unit or auditing division and submit the same to the head-in-charge for approval. Penalty on managers will be submitted to and resolved by the Audit Committee and the board meeting.

In the event any irrecoverable losses of the Company are caused due to the willful or negligent acts or omissions of an individual, such individual may be suspended from duties, subject to approval of the head-in-charge.

The manager as described in this Article shall mean the manager as established in accordance with the ruling issued by the Securities and Futures Commission dated 27 March 2003 per its letter (Ref. No.: Tai-Tsai-Tseng-(3)-092001301); the person in charge shall mean the relevant chief who reviews and approves the execution of any such transactions.

## **Chapter V Effectiveness and Amendment**

Article 28: For matters not covered herein, provisions in relevant laws and regulations and relevant rules of the Company shall govern.

Article 29: These Procedures are effective subject to the approval of the Audit Committee and the board of directors and then submitted to the shareholders meeting for approval. The preceding procedures shall apply if there is any amendment to these Procedures. If any director has objections to the Procedures and the objection is recorded or made in the form of the written statement, the information about the objections shall be sent to the Audit Committee.

When these Procedures are reported to the board of directors for deliberation under the preceding Paragraph, the opinions of each independent director shall be given full consideration and their dissenting or qualified opinion shall be entered into the meeting minutes.

If approval of more than half of all Audit Committee members as required in Paragraph 1 of this Article is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors of the Board of Directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the board of directors.

The terms "all Audit Committee members" and "all directors" in the preceding Paragraph shall mean the actual number of persons currently holding those positions.

Article 30: These Procedures were formulated on July 14, 2008.

The first amendment was made on June 10, 2009.

The second amendment was made on June 5, 2012.

The third amendment was made on June 14, 2013.

The fourth amendment was made on June 12, 2014.

The fifth amendment was made on June 15, 2016.

The sixth amendment was made on June 14, 2017

The seventh amendment was made on June 24, 2019

The eighth amendment was made on June 2, 2022

### **Chapter VI Reference Documents**

Regulation: Regulations Governing the Acquisition and Disposal of Assets by Public Companies

**NUVOTON TECHNOLOGY CORPORATION**  
**Comparison Table of the Rules Governing the Conduct of Shareholders Meeting**

Article After Amendment	Article Before Amendment	Note
<p>Article 3</p> <p>The shareholders meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.</p> <p><u>Any change in the manner of holding a shareholders meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders meeting.</u></p> <p>Paragraphs <u>3</u> to <u>6</u>: Omitted</p> <p><u>Where the reasons for convening a shareholders meeting has specified the general re-election of directors and the date of their assumption of office, then after the completion of such re-election at such shareholders meeting, the date of their assumption of office shall not be changed at the same meeting by way of ad-hoc motion or otherwise.</u></p> <p>Paragraphs <u>8</u> to <u>11</u>: Omitted</p>	<p>Article 3</p> <p>The shareholders meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.</p> <p>Paragraphs <u>2</u> to <u>5</u>: Omitted</p> <p>Paragraphs <u>6</u> to <u>9</u>: Omitted</p>	<p>Paragraphs 2 and 7 have been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange, and Paragraphs 2 to 5 and 6 to 9 have been moved to Paragraphs 3 to 6 and 8 to 11.</p>
<p>Article 4</p> <p>Paragraphs 1 to 3: Omitted</p> <p><u>If a shareholder wishes to attend a shareholders meeting by video conferencing after the proxy has been delivered to the Company, he/she shall give written notice of revocation of such proxy to the Company two days prior to</u></p>	<p>Article 4</p> <p>Paragraphs 1 to 3: Omitted</p>	<p>Paragraph 4 has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock</p>

Article After Amendment	Article Before Amendment	Note
<u>the shareholders meeting; if the proxy is revoked after that date, votes cast at the meeting by the proxy shall prevail.</u>		Exchange.
<p>Article 5 Paragraph 1: Omitted</p> <p><u>When the Company holds a virtual shareholders meeting, the restrictions on the place of meeting prescribed in the preceding paragraph shall not apply.</u></p>	<p>Article 5 Paragraph 1: Omitted</p>	<p>Paragraph 2 has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>
<p>Article 6</p> <p><u>The Company shall specify in its shareholders meeting notices the time during which shareholders, proxy solicitors, and proxies (collectively, "shareholders") 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 prescribed 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 sufficient number of suitable personnel shall be assigned to handle the registrations. Attendance registrations for the virtual shareholders meeting shall be accepted at the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the commencement of the meeting. Shareholders who have completed the attendance registration process shall be deemed to be present in</u></p>	<p>Article 6</p>	<p>Paragraphs 1 and 2 have been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange, and Paragraphs 1 to 4 have been moved to Paragraphs 3 to 6. Paragraphs 7 and 8 have also been added.</p>



Article After Amendment	Article Before Amendment	Note
<p><u>person at the shareholders meeting.</u></p> <p>Paragraphs <u>3</u> to <u>6</u>: Omitted</p> <p><u>Shareholders who wish to attend the shareholders meeting by video conferencing should register with the Company two days prior to the shareholders meeting.</u></p> <p><u>If a shareholders meeting is held by video conferencing, the meeting handbook, annual report and other relevant materials shall be uploaded by the Company to the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.</u></p>	<p>Paragraphs <u>1</u> to <u>4</u>: Omitted</p>	
<p><u>Article 6-1</u></p> <p><u>To convene a virtual shareholders meeting, the Company shall state the following in the notice of the shareholders meeting:</u></p> <ol style="list-style-type: none"> <li><u>1. The method of shareholders attendance in the video conference and exercising their rights.</u></li> <li><u>2. The way to deal with obstacles to the Video Conferencing Platform or attendance via video conferencing due to natural disasters, contingencies, or other force majeure, including at least the following:</u> <ol style="list-style-type: none"> <li><u>(1) The time when the meeting is postponed or reconvened due to the persistence of the foregoing disruption, and the date of the postponed or resumed meeting, if any.</u></li> <li><u>(2) Shareholders who have not registered to attend the original shareholders meeting by video</u></li> </ol> </li> </ol>		<p>This Article has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>

Article After Amendment	Article Before Amendment	Note
<p><u>conferencing are not allowed to attend the postponed or resumed meeting.</u></p> <p>(3) <u>In case of a hybrid shareholders meeting, if the video conferencing cannot be continued, then after deducting the number of shares attending the shareholders meeting by video conferencing, if the total number of shares held by the shareholders present reach the quorum for the shareholders meeting, the shareholders meeting shall be continued. Shareholders participating by video conferencing shall be counted as the total number of shares held by the shareholders present and shall be deemed to have abstained from voting on all motions at that meeting.</u></p> <p>(4) <u>The manner of handling of the situation where the results of all motions have been announced and no ad hoc motion has been made.</u></p> <p>3. <u>Where a virtual shareholders meeting is held, the Company shall include appropriate alternatives for shareholders who have difficulty participating in the shareholders meeting by video conferencing.</u></p>		
<p>Article 8</p> <p>Paragraph 1: Omitted</p> <p><u>If a shareholders meeting is held by video conferencing, the information on shareholders' registration, enrollment, attendance, questions, voting, and the Company's vote counting results shall be recorded and kept, and the entire video conference shall be continuously and uninterruptedly recorded and</u></p>	<p>Article 8</p> <p>Paragraph 1: Omitted</p>	<p>Paragraphs 2 and 3 have been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>

Article After Amendment	Article Before Amendment	Note
<p><u>video-taped.</u></p> <p><u>The Company shall keep the aforementioned information and audio and video recordings during their preservation period and provide the audio and video recordings to the person in charge of the matters relating to the video conference for retention.</u></p>		
<p>Article 9</p> <p>Attendance at the shareholders meeting shall be determined based on the number of shares. The number of shares represented by shareholders at the meeting shall be calculated as the number of shares represented by those present in person as indicated by the attendance book or attendance sign-in cards <u>and the number of shares held by shareholders registering their attendance on the Video Conferencing Platform,</u> plus the number of shares in which voting rights are exercised in writing or by way of electronic transmission.</p> <p>The chairman shall announce the commencement of the shareholders meeting and relevant information such as the number of non-voting shares and the number of shares whose holders are present at the time scheduled for the meeting. But if the number of shares represented by the shareholders present at the meeting is less than one-half of all issued shares of the Company at the time scheduled for the meeting, the chairman may announce the postponement of the meeting. The shareholders meeting can only be postponed twice and the time of the postponement shall not be more than one hour in total. <u>If, after two</u></p>	<p>Article 9</p> <p>Attendance at the shareholders meeting shall be determined based on the number of shares. The number of shares represented by shareholders at the meeting shall be calculated as the number of shares represented by those present in person as indicated by the attendance book or attendance sign-in cards, plus the number of shares in which voting rights are exercised in writing or by way of electronic transmission.</p> <p>The chairman shall announce the commencement of the shareholders meeting and relevant information such as the number of non-voting shares and the number of shares whose holders are present at the time scheduled for the meeting. But if the number of shares represented by the shareholders present at the meeting is less than one-half of all issued shares of the Company at the time scheduled for the meeting, the chairman may announce the postponement of the meeting. The shareholders meeting can only be postponed twice and the time of the postponement shall not be more than one hour in total.</p>	<p>Paragraphs 1, 2 and 3 have been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>

Article After Amendment	Article Before Amendment	Note
<p><u>postponements, the number of shares represented by the shareholders present at the meeting is less than one third of all issued shares of the Company, the chairman shall declare the meeting adjourned. Where the shareholders meeting is held by video conferencing, the adjournment of the meeting shall be announced on the Video Conferencing Platform of the Shareholders Meetings.</u></p> <p>If after two postponements as aforementioned, the number of shares represented by the shareholders present at the meeting is still less than one-half of all issued shares of the Company but the shareholders present at the meeting represent more than one-third of all issued shares, tentative resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and the shareholders meeting shall be reconvened within one month.</p> <p><u>Shareholders who wish to attend the virtual shareholders meeting by video conferencing shall re-register with the Company in accordance with Article 6 hereof.</u></p> <p>Paragraph 4: Omitted</p>	<p>If after two postponements as aforementioned, the number of shares represented by the shareholders present at the meeting is still less than one-half of all issued shares of the Company but the shareholders present at the meeting represent more than one-third of all issued shares, tentative resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and the shareholders meeting shall be reconvened within one month.</p> <p>Paragraph 4: Omitted</p>	
<p>Article 11</p> <p>Paragraphs 1 to 6: Omitted</p> <p><u>Shareholders participating in the shareholders meeting by video conferencing may ask questions by sending texts on the Video Conferencing Platform after the chairman calls the meeting to order and before the meeting</u></p>	<p>Article 11</p> <p>Paragraphs 1 to 6: Omitted</p>	<p>Paragraph 7 has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock</p>

Article After Amendment	Article Before Amendment	Note
<p><u>is adjourned; they may ask only two questions per motion, and each question shall be limited to 200 words. The provisions of Paragraphs 1 to 5 hereof shall not apply here.</u></p>		Exchange.
<p>Article 13 Paragraphs 1 to 3: Omitted</p> <p>After a shareholder has exercised voting rights by correspondence or electronic transmission, in the event the shareholder intends to attend the shareholders meeting in person <u>or by video conferencing</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means of which the voting rights were exercised, 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic transmission shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic transmission and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Paragraphs 5 to 11: Omitted</p> <p><u>Where the Company convenes a virtual shareholders meeting, after the Chairman calls the meeting to order, shareholders who participate in the shareholders meeting by video conferencing shall vote on each motion and election motion through the Video Conferencing</u></p>	<p>Article 13 Paragraphs 1 to 3: Omitted</p> <p>After a shareholder has exercised voting rights by correspondence or electronic transmission, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means of which the voting rights were exercised, 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic transmission shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic transmission and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Paragraphs 5 to 11: Omitted</p>	<p>Paragraph 4 has been amended and Paragraphs 12 to 15 have been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange, and Paragraphs 12 to 13 have been moved to Paragraphs 16 to 17.</p>

Article After Amendment	Article Before Amendment	Note
<p><u>Platform, and shall complete the voting before the Chairman announces the end of the voting, and any delay shall be deemed as abstention.</u></p> <p><u>Where the Company convenes a virtual shareholders meeting, the Company shall conduct a one-time vote count and announce the voting and election results after the Chairman announces the close of voting.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, shareholders who have registered to attend the shareholders meeting by video conferencing in accordance with Article 6 but wish to attend the physical shareholders meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders meeting; if they deregister after that time, they may attend the shareholders meeting by video conferencing only.</u></p> <p><u>Those who exercise their voting rights by written or electronic means without revoking their expression of intention and participate in the shareholders meeting by video conferencing may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for ad hoc motions.</u></p> <p>Paragraphs <u>16</u> to <u>17</u>: Omitted</p>	<p>Paragraphs <u>12</u> to <u>13</u>: Omitted</p>	
<p>Article 15</p> <p>Paragraphs 1 to 3: Omitted</p>	<p>Article 15</p> <p>Paragraphs 1 to 3: Omitted</p>	<p>Paragraphs 4 and 5 have been added in accordance with the</p>

Article After Amendment	Article Before Amendment	Note
<p><u>If a shareholders meeting is held by video conferencing, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding Paragraph, the starting and ending time of the shareholders meeting, the manner in which the meeting is held, the names of the chairman and the minute taker, and the manner and situation of handling any interruption from the Video Conferencing Platform or video participation due to natural disasters, contingencies, or other force majeure.</u></p> <p><u>In addition to complying with the provisions of the preceding Paragraph, the Company, if convenes a virtual shareholders meeting, shall include in the minutes of the alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.</u></p>		<p>Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>
<p>Article 16</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, <u>as well as those held by shareholders present in writing or by electronic means,</u> and shall make an express disclosure of the same at the venue of the shareholders meeting. <u>If a shareholders meeting is held by video conferencing, the foregoing information shall be uploaded by the Company to the Video Conferencing Platform of the Shareholders Meetings at least 30</u></p>	<p>Article 16</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the venue of the shareholders meeting.</p>	<p>Paragraph 1 has been amended and Paragraph 2 has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange</p>

Article After Amendment	Article Before Amendment	Note
<p><u>minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.</u></p> <p><u>If a shareholders meeting is held by video conferencing, the total number of shares of shareholders present shall be disclosed on the Video Conferencing Platform when the meeting is called to order. The same shall apply if the total number of shares and voting rights of shareholders present are also counted during the meeting.</u></p>		
<p><u>Article 17</u></p> <p><u>Where the Company convenes a virtual shareholders meeting, the voting results of each motion and the election results shall be disclosed by the Company on the Video Conferencing Platform of the Shareholders Meetings in accordance with the regulations and shall continue to be disclosed for at least 15 minutes after the chairman announces the adjournment of the meeting.</u></p>		<p>This Article has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>
<p><u>Article 18</u></p> <p><u>When the Company holds a virtual shareholders meeting, the chairman and minute taker shall be present at the same place in the Republic of China.</u></p>		<p>This Article has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>
<p><u>Article 19</u></p> <p><u>When a shareholders meeting is convened by video conferencing, the chairman, when calling the meeting to</u></p>		<p>This Article has been added in accordance with the Sample Template</p>



Article After Amendment	Article Before Amendment	Note
<p><u>order, shall announce separately that, except for the circumstances specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or reconvening of the meeting, if, before the chairman announces the adjournment of the meeting, there is any interruption to participation on the Video Conferencing Platform or by video conferencing for a period of 30 minutes or more due to a natural disaster, a contingency, or other force majeure, the meeting shall be postponed or resumed within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>In the event of a postponement or reconvening of a meeting under the preceding Paragraph, shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the postponed or resumed meeting.</u></p> <p><u>For those shareholders who have registered to attend the original shareholders meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or resumed meeting, their number of shares, voting rights and election rights exercised at the original shareholders meeting shall be counted as the total number of shares, voting rights and election rights of shareholders present at the postponed or resumed meeting.</u></p> <p><u>If the shareholders meeting is postponed</u></p>		<p>for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>

Article After Amendment	Article Before Amendment	Note
<p><u>or resumed in accordance with Paragraph 1, it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors or supervisors elected have been announced.</u></p> <p><u>In the event that the Company convenes a hybrid shareholders meeting and the meeting cannot be reconvened in the case of any circumstance under Paragraph 1, and if, after deducting the number of shares present at the shareholders meeting by video conferencing, the total number of shares present still reaches the quorum for the shareholders meeting, the shareholders meeting shall continue, without being postponed or resumed in accordance with Paragraph 1.</u></p> <p><u>In the event that a meeting should be continued, the number of shares held by shareholders participating in the meeting by way of video conferencing shall be counted as the total number of shares of shareholders present, but shall be deemed to be abstained for all motions at that meeting.</u></p> <p><u>If the Company postpones or resumes a shareholders meeting in accordance with Paragraph 1, the Company shall follow the provisions set forth in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary procedures on the date of the original shareholders meeting and in accordance with the provisions of</u></p>		

Article After Amendment	Article Before Amendment	Note
<p><u>such Article.</u></p> <p><u>The Company shall postpone or resume the shareholders meeting in accordance with the provisions of Paragraph 1 within the period stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and that specified in Paragraph 2 of Article 44-5, Article 44-15, or Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p>		
<p><u>Article 20</u></p> <p><u>The Company, if wishing to convene a virtual shareholders meeting, shall provide appropriate alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.</u></p>		<p>This Article has been added in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings published by the Taiwan Stock Exchange.</p>
<p>Article <u>21</u> (Omitted)</p>	<p>Article <u>17</u> (Omitted)</p>	<p>The number of this Article has been adjusted.</p>
<p>Article <u>22</u> (Omitted)</p>	<p>Article <u>18</u> (Omitted)</p>	<p>The number of this Article has been adjusted.</p>
<p>Article <u>23</u> (Omitted)</p>	<p>Article <u>19</u> (Omitted)</p>	<p>The number of this Article has been adjusted.</p>
<p>Article <u>24</u> (Omitted)</p>	<p>Article <u>20</u> (Omitted)</p>	<p>The number of this Article has been adjusted.</p>

Article After Amendment	Article Before Amendment	Note
<p>Article <u>25</u></p> <p>These Rules were enacted on June 10, 2009.</p> <p>The first amendment was made on June 5, 2012.</p> <p>The second amendment was made on June 10, 2015.</p> <p>The third amendment was made on June 15, 2016.</p> <p>The fourth amendment was made on June 24, 2019.</p> <p>The fifth amendment was made on May 29, 2020.</p> <p>The sixth amendment was made on June 11, 2021.</p> <p><u>The seventh amendment was made on June 2, 2022.</u></p>	<p>Article <u>21</u></p> <p>These Rules were enacted on June 10, 2009.</p> <p>The first amendment was made on June 5, 2012.</p> <p>The second amendment was made on June 10, 2015.</p> <p>The third amendment was made on June 15, 2016.</p> <p>The fourth amendment was made on June 24, 2019.</p> <p>The fifth amendment was made on May 29, 2020.</p> <p>The sixth amendment was made on June 11, 2021.</p>	<p>The number of this Article has been adjusted, and the date of this amendment has been added.</p>

Candidate List for Directors (including Independent Directors)

Title	Name	Education	Work Experience	Current Positions	Shareholding (Unit: Share)	Name of government or legal person represented	Has s/he served three consecutive terms as Independent Director / Reason
Director	Arthur Yu-Cheng Chiao	Master of Electrical Engineer, School of Business Administration, University of Washington	Chairman, Walsin Lihwa Corporation Chairman and Member of the Compensation Committee, Vishay Capella Microsystems (Taiwan) Limited	Chairman and CEO, Winbond Corporation Director, Walsin Lihwa Corporation Director, Walsin Technology Corporation Director, United Industrial Gases Co., Ltd. Director, MiTAC Holdings Corporation Convener of the Compensation Committee and Member of the Audit Committee, Taiwan Cement Corp.	0	None	N/A
Director	Yuan-Mou Su	Bachelor of Electronic Engineering, National Chiao Tung University MS in Electrical Engineering, University of Southern California	Vice Chairman and Vice CEO, Winbond Corporation	Director, Winbond Corporation Chairman, Nuvoton Technology Corp. America Chairman, Nuvoton Technology Corporation Japan	214,954,635	Winbond Corporation	N/A
Director	Jen-Lieh Lin	MS in Electrical Engineering, National Cheng Kung University	Assistant Vice President of System Technology Center, Winbond Corporation	Vice President, Nuvoton Technology Corp. Chairman, Winbond Technology (Nanjing) Co., Ltd.	5,440,219	Chin-Xin Investment Co., Ltd.	N/A

Director	Chi-Lin Wea	Master of Management from Imperial College London, United Kingdom PhD in Economics from University of Paris	Secretary General, Executive Yuan Chairman, Land Bank of Taiwan Director of National University College of Management	Chairman, IBF Financial Holdings Co., Ltd. Director, Elan Microelectronics Corp. Director, AcBel Polytech Inc. Independent Director, Formosa Plastics Corporation	0	None	N/A
Director	Royce Yu-Chun Hong	Department of Industrial Design Rhode Island School of Design Graphic Design at Art Center College of Design	Managing Director, Panasonic Corporation Creative Director, PChome Online Inc.	Chairman and President, Ipevo Inc. Chairman, Xrange Co., Ltd. Chairman, XING Mobility Inc Chairman, Panasonic Taiwan Co., Ltd. Chairman, Long Jun Investment Co., Ltd.	0	None	N/A
Director	Liang-Gee Chen	Ph.D., in Electrical Engineering, National Cheng Kung University	Minister of Science and Technology, the ROC Founder and Director, Graduate Institute of Electronics Engineering, National Taiwan University Director of Electronics Industry Research Institute of Industrial Technology Research Institute	Professor, Department of Electric Engineering, National Taiwan University Independent Director, Everlight Electronics Co., Ltd.	0	None	N/A
Director	Tzu-Kai Chiao	B.S. in Economics, Stanford University Master of Business	Vice President of Strategy, WeLab Holdings Investment Analyst, Hony	Director and President, Callisto Holding Limited Director and President,	0	None	N/A

		Administration, INSEAD	Capital Investment Banking Analyst, Goldman Sachs (Asia) L.L.C.	Callisto Technology Limited Director, Miraxia Edge Technology Corporation Director, Nuvoton Technology Corporation Japan			
Independent Director	Allen Hsu	MBA, National Chengchi University Refresher Course, Walton Business School	Chairman, Altek Corporation Chairman, TAIWAN MASK CORP. Chairman, Myson Century, Inc. Chairman, Chingis Technology Corporation Independent Director, ANZ Bank (Taiwan) Ltd.	Chairman, Yizhong Technology Inc. Chairman, Unus Tech Co., Ltd. Chairman, You Yuan Investment Ltd. Chairman, Fortune Star Investment Ltd. Director, Innodisk Corporation Director, Acme Electronics Corporation Director, Bao Yueh Investment Co., Ltd. Independent Director, Convener of the Compensation Committee and the Audit Committee, Windbond Electronics Corporation	0	None	Yes (Note 1)
Independent Director	David Shu-Chyuan Tu	Master of Computer Engineering from California State University	President, Planning Department, Synnex Technology International Corp.	Vice President, Group Business Development & Strategy, Synnex Technology International Corp. Director, Jetwell Computer Co., Ltd. Director, Bestcom Infotech Corp.	0	None	Yes (Note 2)

				Director, Asgard System, Inc. Director, Inforcom Technology Inc.			
Independent Director	Kuang-Chung Chen	Department of Chemical Engineering, Chinese Culture University	Vice Chairman and Chief Executive Officer, LITE-ON Group President, LITE-ON Group and CEO, LITE-ON Technology Corporation CEO of Core Reinvestment Business, LITE-ON Group President, Taiwan LITE-ON Corporation	Director, LITE-ON Technology Corporation Independent Director, Diodes Incorporated	0	None	No.
Independent Director	Mark Wei	Master of International Business Administration, George Washington University, Washington, D.C. MS in Financial Management, Benjamin Franklin University, Washington, D.C., USA	Chairman, KGI Securities Co., Ltd. Chairman, Chartis Taiwan Insurance Co., Ltd. Director General, Insurance Bureau, Financial Supervisory Commission	Chairman, KGI Commercial Bank Co., Ltd. Supervisor, Chines National Association of Industry and Commerce, Taiwan Director, Spring Foundation of NCTU Adjunct Associate Professor, Institute of Business and Management and Department of Information Management and Finance, National Yang Ming Chiao Tung University	0	None	No.

Note 1: The Board of Directors assesses that Mr. Allen Hsu meets the independence requirements and has industry professional experience, which will be of obvious benefit to the Company, and will therefore continue to nominate him as a candidate for Independent Director this time.



Note 2: The Board of Directors assesses that Mr. David Shu-Chyuan Tu meets the independence requirements and has industry professional experience, which will be of obvious benefit to the Company, and will therefore continue to nominate him as a candidate for Independent Director this time.

< Attachment 9 >

**Explanations of Involvement of the Director in Acts for  
Himself/Herself/Itself or Others Which Fall into the Scope of the  
Company's Business**

(1) Mr. Jerry Hsu:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Huhua Hardware & Electronics (Wujiang) Co., Ltd.	Chairman	Manufacturing and sales of hardware parts for electronic products
Huhua Hardware Electron Tongliang Co., Ltd.	Managing Director	Manufacturing and sales of hardware parts for electronic products
Chongqing Kanghua Metal Products Co., Ltd.	Managing Director	Manufacturing and sales of hardware parts for electronic products
CSA Holdings Inc.	Director	General investment
QBit Semiconductor Holding, LTD.	Director	Holding company
Target Gain Corporation	Director	Electronic parts trading
Melvita Taiwan Ltd	Director	F401010 International Trade
Arce Therapeutics, Inc.	Director	F401010 International Trade
CAL-COMP PRECISION (SINGAPORE) LIMITED	Director	Holding company
Kangzhan Electric Power Co., Ltd.	Director	F401010 International Trade
QBIT SEMICONDUCTOR LTD.	Director	CC01080 Precision Instruments Manufacturing F401010 International Trade I301010 Information Software Service I501010 Product Design
NEW ERA AI ROBOTIC INC.	Director	CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service I501010 Product Design

NKG Advanced Intelligence & Technology Development (Yueyang) Co., Ltd.	Director	Production and sales of high-end electronic devices and the consumables and parts required for them
Cal-Comp Precision (Malaysia) SDN. BHD.	Director	Injection and molding of precision plastic components
Cal-Comp Precision (Thailand) Limited	Director	Injection and molding of precision plastic components
Cal-Comp Electronics (USA) Co., Ltd.	Director	Manufacturing
Cal-Comp USA (San Diego), Inc.	Director	Manufacturing
Cal-Comp Holding (Brasil) S.A.	Director	Holding company
Cal-Comp Industria de Semicondutores S.A.	Director	Manufacturing
VESCIR LTD.	Director	F401010 International Trade I501010 Product Design
Kinpo&Compal Group Assets Development Corporation	Director and CEO	F401010 International Trade I301010 Information Software Service
CAL-COMP ELECTRONICS & COMMUNICATIONS COMPANY LIMITED	Chief Strategy Officer	F401010 International Trade I301010 Information Software Service

(2) Mr. Arthur Yu-Cheng Chiao

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Winbond Electronics Corporation	Chairman and CEO	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service I501010 Product Design
Director, Walsin Technology Corporation	Director	CC01080 Precision Instruments Manufacturing ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

United Industrial Gases Co., Ltd.	Director	F401010 International Trade
Winbond Electronics Corporation America	Director	The Company is principally engaged in the design, sale and service of semiconductor components
Tower Partners Semiconductor Co., Ltd	Director	The company is mainly engaged in the wafer fabrication business
Taiwan Cement Corporation	Independent Director	F401010 International Trade ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

(3) Winbond Electronics Corporation:

Names of Other Companies Where It Serves	Title	Business Items Identical or Similar to the Company's
Walton Advanced Engineering, Inc.	Director	CC01080 Precision Instruments Manufacturing ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Winbond Electronics (H.K.) Limited	Director	Sales of and investment in semiconductor parts and components
Winbond Electronics Germany GmbH	Director	Marketing services for semiconductor parts and components
Winbond Technology Ltd	Director	Design and services for semiconductor parts and components
Callisto Holding Limited	Director	F401010 International Trade I301010 Information Software Service I501010 Product Design ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Intellectual Property Innovation Corporation	Director	F401010 International Trade I301010 Information Software Service ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

(4) Mr. Yuan-Mou Su:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Winbond Electronics Corporation	Director	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service

		I501010 Product Design
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(5) Chin-Xin Investment Co., Ltd.:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Winbond Electronics Corporation	Director	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service I501010 Product Design
Hannstar Board Corporation	Director	CC01080 Precision Instruments Manufacturing ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

(6) Mr. Chi-Lin Wea:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Elan Microelectronics Corp.	Director	CC01080 Precision Instruments Manufacturing F401010 International Trade CC01110 Computer and Peripheral Equipment Manufacturing
Acbel Polytech Inc.	Director	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing F401010 International Trade I301010 Information Software Service ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Formosa Plastics Corporation	Independent Director	CC01080 Precision Instruments Manufacturing ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

(7) Mr. Royce Yu-Chun Hong:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's

IPEVO CORP.	Chairman & President	F401010 International Trade I301010 Information Software Service I501010 Product Design ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Xrange Co., Ltd.	Chairman	I501010 Product Design F401010 International Trade I301010 Information Software Service ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
XING Mobility Inc.	Chairman	F401010 International Trade I501010 Product Design ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Panasonic Taiwan Co., Ltd.	Chairman	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing I301010 Information Software Service F401010 International Trade ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
GENETICS GENERATION ADVANCEMENT CORP. (GGA CORP.)	Independent Director	I301010 Information Software Service F401010 International Trade ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

(8) Mr. Liang-Gee Chen:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Everlight Electronics Co., Ltd.	Independent Director	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service I501010 Product Design

(9) Ms. Tzu-Kai Chiao:

Names of Other Companies Where She Serves	Title	Business Items Identical or Similar to the Company's
Callisto Holding Limited	Director and CEO	The company mainly engages in electronic

		commerce and investments.
Callisto Technology Limited	Director and CEO	The company mainly engages in electronic commerce and investments.
Miraxia Edge Technology Corporation	Director	The Company is principally engaged in the design and service of semiconductor components

(10) Mr. Allen Hsu:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
3R LIFE SCIENCES LTD.	Chairman	F401010 International Trade
Unus Tech Co., Ltd.	Chairman	F401010 International Trade I301010 Information Software Service I501010 Product Design
PARPRO CORPORATION	Director	CC01080 Precision Instruments Manufacturing F401010 International Trade
Innodisk Corporation	Director	F401010 International Trade I301010 Information Software Service I501010 Product Design CC01080 Precision Instruments Manufacturing ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Acme Electronics Corporation	Director	CC01080 Precision Instruments Manufacturing F401010 International Trade ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Winbond Electronics Corporation	Independent Director	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service I501010 Product Design

(11) Mr. David Shu-Chyuan Tu:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Synnex Technology International Corp.	Vice President, Group Business Development	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating

	& Strategy	F401010 International Trade I301010 Information Software Service ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Jetwell Computer Co., Ltd.	Director	CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating I301010 Information Software Service ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Bestcom Infotech Corp.	Director	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Asgard System, Inc.	Director	F401010 International Trade ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Inforcom Technology Inc.	Director	CC01080 Precision Instruments Manufacturing ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Synnex (Thailand) Public Company Ltd.	Director	Sale of 3C products
Redington (India) Ltd	Director	Sale of 3C products

(12) Mr. Kuang-Chung Chen:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Lite-On Technology Corporation	Director	CC01080 Precision Instruments Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Information Software Service I501010 Product Design
Diodes Incorporated	Independent Director	The Company is principally engaged in the sales and services of semiconductor components



# Appendixes

<Appendix 1>

(English Translation)

**Nuvoton Technology Corporation**  
**Rules Governing the Conduct of Shareholders Meeting (After Amendment)**

The sixth amendment will be submitted to the annual general shareholders meeting on June 2, 2022 for approval

Article 1

These Rules were created for the specific purpose of establishing a good shareholders meeting governance system to strengthen the supervisory and management functions of the Company.

Article 2

Unless otherwise provided relevant laws, regulations and the Articles of Incorporation, all shareholders meetings of the Company shall be conducted in accordance with these Rules.

With the exceptions of Article 3 and Article 4 of these Rules, in which the term "shareholder" refers to shareholders themselves, "shareholder" as used in these Rules refers to shareholders themselves or a legally commissioned proxy attending on behalf of a shareholder.

Article 3

The shareholders meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.

Any change in the manner of holding a shareholders meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders meeting.

All shareholders shall be served with the convention notice of annual general shareholders meeting at least 30 days prior to each meeting, except for those shareholders each holding less than 1,000 registered shares who may be notified by means of an announcement on the Market Observation Post System at least 30 days prior to the meeting according to relevant laws and regulations. All shareholders shall be served with the convention notice of special shareholders meetings at least 15 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares who may be notified by means of an announcement on the Market Observation Post System at least 15 days prior to the meeting according to relevant laws and regulations.

Convention notices and announcements shall state the reasons for the meeting. The convention notice may, as an alternative, be given by means of electronic transmission, after obtaining the

prior consent of shareholders.

The matters specified in Paragraph 5 of Article 172 of the Company Act, or Article 26-1 or Article 43-6 of the Securities and Exchange Act, or Article 56-1 or Article 60-2 of the Regulations Governing Offering and Issuance of Securities by Issuers shall be listed among the reasons and explained in the convention notice of the meeting, and may not be proposed as extemporary motions.

The Company shall prepare the agenda handbook for shareholders meeting prior to the meeting in accordance with the relevant laws and regulations.

Where the reasons for convening a shareholders meeting has specified the general re-election of directors and the date of their assumption of office, then after the completion of such re-election at such shareholders meeting, the date of their assumption of office shall not be changed at the same meeting by way of ad-hoc motion or otherwise.

A shareholder holding 1 percent or more of the total number of issued shares may propose in writing to the Company a proposal for discussion at an annual shareholders meeting; provided that only one matter shall be allowed in each single proposal. In case a proposal submitted by shareholder(s) contains more than one matter, such proposal shall not be included in the agenda of the shareholders meeting. In addition, if any of the circumstances listed in Paragraph 4 of Article 172-1 of the Company Act occurs to the proposal submitted by any shareholder, the Board of Directors of the Company may ignore that proposal.

The Company shall announce the acceptance of shareholders' proposal, the place and the period for shareholders to submit proposals to be discussed at the shareholders meeting prior to the commencement of the close period for share transfer. The period for accepting such proposals shall not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The 300 words limit includes reasons and punctuation marks. Shareholders submitting proposals to be discussed at the shareholders meeting shall attend the shareholders meeting in person or by proxy, and participate in discussion of those proposals.

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

#### Article 4

Prior to any shareholders meeting, a shareholder may appoint a proxy to attend the meeting by issuing a power of attorney in the proxy form provided by the Company stating the scope of authorization.

Each shareholder may issue one proxy form, and may only appoint one person to serve as a proxy. The power of attorney must be delivered to the Company at least five days prior to each shareholders meeting. If two or more written proxy forms are received from a shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the Company receives a proxy form, in the case that a shareholder who has issued a power of attorney intends to attend the shareholders meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a written proxy rescission notice need be delivered to the Company two days prior to the date of the shareholders meeting; otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

If a shareholder wishes to attend a shareholders meeting by video conferencing after the proxy has been delivered to the Company, he/she shall give written notice of revocation of such proxy to the Company two days prior to the shareholders meeting; if the proxy is revoked after that date, votes cast at the meeting by the proxy shall prevail.

#### Article 5

Shareholders meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such meetings. Shareholders meetings shall not start earlier than 9:00 AM or later than 3:00 PM. About the place and time of shareholders meetings, if the Company has independent directors, the opinions of each attending independent directors shall be taken into full consideration.

When the Company holds a virtual shareholders meeting, the restrictions on the place of meeting prescribed in the preceding paragraph shall not apply.

#### Article 6

The Company shall specify in its shareholders meeting notices the time during which shareholders, proxy solicitors, and proxies (collectively, "shareholders") 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 prescribed 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 sufficient number of suitable personnel shall be assigned to handle the registrations. Attendance registrations for the virtual shareholders meeting shall be accepted at the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the commencement of the meeting. Shareholders who have completed the attendance registration process shall be deemed to be present in person at the shareholders meeting.

This Company shall prepare an attendance book for attending shareholders or proxies of shareholders ("Shareholders") to sign in, or Shareholders present may hand in an attendance

sign-in card in lieu of signing on the attendance book. Each Shareholder attending the shareholders meeting in person (or proxy) shall wear an attendance pass.

The Company shall hand in the agenda handbook, annual report, attendance pass, speech note, ballot and other meeting documents to the Shareholders attending the shareholders meeting. If there is an election of directors, the Company shall hand out election ballot as well.

Shareholders shall attend shareholders meetings based on attendance passes, attendance sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by Shareholders. Solicitors who have solicited proxies shall also bring identification documents for verification.

When a government or legal entity is a shareholder, said shareholder may be represented by more than one proxy at a shareholders meeting. A legal entity serving as proxy to attend a shareholders meeting may designate only one representative to attend such meeting.

Shareholders who wish to attend the shareholders meeting by video conferencing should register with the Company two days prior to the shareholders meeting.

If a shareholders meeting is held by video conferencing, the meeting handbook, annual report and other relevant materials shall be uploaded by the Company to the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

#### Article 6-1

To convene a virtual shareholders meeting, the Company shall state the following in the notice of the shareholders meeting:

1. The method of shareholders attendance in the video conference and exercising their rights.
2. The way to deal with obstacles to the Video Conferencing Platform or attendance via video conferencing due to natural disasters, contingencies, or other force majeure, including at least the following:
  - (1) The time when the meeting is postponed or reconvened due to the persistence of the foregoing disruption, and the date of the postponed or resumed meeting, if any.
  - (2) Shareholders who have not registered to attend the original shareholders meeting by video conferencing are not allowed to attend the postponed or resumed meeting.
  - (3) In case of a hybrid shareholders meeting, if the video conferencing cannot be continued, then after deducting the number of shares attending the shareholders meeting by video conferencing, if the total number of shares held by the shareholders present reach the quorum for the shareholders meeting, the shareholders meeting shall be continued. Shareholders participating by video conferencing shall be counted as the total number of shares held by the shareholders present and shall be deemed to have abstained from voting on all motions at that meeting.
  - (4) The manner of handling of the situation where the results of all motions have been announced and no ad hoc motion has been made.
3. Where a virtual shareholders meeting is held, the Company shall include appropriate alternatives for shareholders who have difficulty participating in the shareholders meeting

by video conferencing.

#### Article 7

If a shareholders meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall serve as chair for the meeting. If the Chairman of the Board of Directors is on leave or for any reason unable to perform his duties as Chairman, the Vice-Chairman shall act in place of the chairman. If the Company does not have a Vice-Chairman or the Vice-Chairman is also on leave or for any reason unable to perform the necessary duties, the Chairman of the Board of Directors shall appoint a managing director to serve on his behalf. If there are no managing directors, the Chairman of the Board of Directors shall appoint a director to serve on his behalf. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair for the meeting.

If a shareholders meeting is convened by a party other than the Board of Directors, the convening party shall chair the meeting. When there are two or more individuals within such convening parties, the convening parties shall select a chair from among themselves in mutual agreement.

The Company may appoint lawyer(s) or certified public accountant(s) engaged by the Company, or relevant persons, to attend a shareholders meeting.

#### Article 8

The process of the shareholders meeting shall be audio recorded or video recorded in its entirety and these records shall be preserved for at least one year. If the Company allows shareholders to exercise their voting right in writing or by way of electronic transmission, the related written and media data shall also be preserved for at least one year. However, if a lawsuit has been filed by any shareholder pursuant to Article 189 of the Company Act, all records and data involved shall be kept by the Company until the legal proceedings of the lawsuit have been concluded.

If a shareholders meeting is held by video conferencing, the information on shareholders' registration, enrollment, attendance, questions, voting, and the Company's vote counting results shall be recorded and kept, and the entire video conference shall be continuously and uninterruptedly recorded and video-taped.

The Company shall keep the aforementioned information and audio and video recordings during their preservation period and provide the audio and video recordings to the person in charge of the matters relating to the video conference for retention.

#### Article 9

Attendance at the shareholders meeting shall be determined based on the number of shares. The number of shares represented by shareholders at the meeting shall be calculated as the number of shares represented by those present in person as indicated by the attendance book or attendance

sing-in cards and the number of shares held by shareholders registering their attendance on the Video Conferencing Platform, plus the number of shares in which voting rights are exercised in writing or by way of electronic transmission.

The chairman shall announce the commencement of the shareholders meeting and relevant information such as the number of non-voting shares and the number of shares whose holders are present at the time scheduled for the meeting. But if the number of shares represented by the shareholders present at the meeting is less than one-half of all issued shares of the Company at the time scheduled for the meeting, the chairman may announce the postponement of the meeting. The shareholders meeting can only be postponed twice and the time of the postponement shall not be more than one hour in total. If, after two postponements, the number of shares represented by the shareholders present at the meeting is less than one third of all issued shares of the Company, the chairman shall declare the meeting adjourned. Where the shareholders meeting is held by video conferencing, the adjournment of the meeting shall be announced on the Video Conferencing Platform of the Shareholders Meetings.

If after two postponements as aforementioned, the number of shares represented by the shareholders present at the meeting is still less than one-half of all issued shares of the Company but the shareholders present at the meeting represent more than one-third of all issued shares, tentative resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and the shareholders meeting shall be reconvened within one month. Shareholders who wish to attend the virtual shareholders meeting by video conferencing shall re-register with the Company in accordance with Article 6 hereof.

If the number of the shares represented by the shareholders present at the shareholders meeting reaches one-half of all issued shares of the Company prior to the end of the meeting, the chairman may submit the aforementioned tentative resolutions to the shareholders meeting for approval in accordance with Article 174 of the Company Act.

#### Article 10

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The shareholders meeting shall be conducted according to the agenda, and unless otherwise provided by these Rules herein or laws and regulations, the agenda shall not be changed without resolution from the shareholders meeting.

The above provision in the preceding paragraph also applies to shareholders meetings convened by any parties that are not the Board of Directors but have the power to convene such meetings.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including extemporaneous motions) listed in the agenda made according to the preceding two paragraphs are completed; after the meeting is adjourned, shareholders cannot designate another person as chairman and continue the meeting at the same or other place.

When the chairman sees the discussion over a motion, an amendment, or extemporaneous motion as having proceeded to the extent necessary to make a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

#### Article 11

When a shareholder present at the meeting wishes to speak, he/she shall fill in a speech note specifying the summary of his/her speech, the shareholder's account number (or the attendance pass number) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any shareholder present at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note submitted by such shareholder, the contents of the actual speech shall prevail. Conduct for proxy's speeches shall comply with the letter of the proxy forms, documents of public solicitation and advertisement. Unless otherwise provided by laws and regulations, the shareholders appointing a proxy to attend the shareholders meeting shall agree with any speeches and voting made by the proxy in the shareholders meeting.

The same shareholder may not speak more than twice on the same motion without the chairman's permission, and each speech time may not exceed 5 minutes. The chairman may halt the speech of any shareholder who violates the above provision or when the content of such speech is outside the scope of the ongoing discussion.

When a shareholder speaks at the meeting, unless otherwise permitted by the chairman and the speaking shareholder, no other shareholders shall interrupt the speech of the speaking shareholder; the chairman shall stop any violations.

The number of representatives appointed by a legal-entity shareholder to attend the shareholders meeting should not exceed the number of directors to be elected at the shareholders meeting if there is an election of directors at that shareholders meeting, or the number of directors elected for a term of office if there is no election of directors at that shareholders meeting, and only one representative can speak for the same motion.

After the speeches of the shareholders present at the shareholders meeting, the chairman may respond in person or designate relevant persons to respond to the speech.

Shareholders participating in the shareholders meeting by video conferencing may ask questions by sending texts on the Video Conferencing Platform after the chairman calls the meeting to order and before the meeting is adjourned; they may ask only two questions per motion, and each question shall be limited to 200 words. The provisions of Paragraphs 1 to 5 hereof shall not apply here.



## Article 12

Voting at the shareholders meeting shall be determined based on the number of shares.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.

The preceding shares for which voting right cannot be exercised shall not be counted in the number of votes of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority in charge of securities laws, when a person who acts as the proxy for two or more shareholders, the number of voting rights represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting rights shall not be counted.

## Article 13

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

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

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

After a shareholder has exercised voting rights by correspondence or electronic transmission, in the event the shareholder intends to attend the shareholders meeting in person or by video conferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means of which the voting rights were exercised, 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or

electronic transmission shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic transmission and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

If the Company allows its shareholders to exercise their voting rights in writing by correspondence or by way of electronic transmission, the Company shall finish the counting and verification of the votes cast in writing by correspondence or by way of electronic transmission prior to the convening of the shareholders meeting.

If the Company allows its shareholders to exercise their voting rights in writing by correspondence or by way of electronic transmission, the Company shall compile the number of votes cast in writing by correspondence or by way of electronic transmission and prepare a statement of information and disclose such statement of information in an explicit manner at the venue of the shareholders meeting.

Unless otherwise provided laws and regulations or the Company's Articles of Incorporation, resolutions agreed upon by a majority of the votes represented by shareholders present at the meeting shall be adopted. The voting rights of shareholders shall be calculated according to the voting rights of represented shares that shareholders may exercise in accordance with laws and regulations or the Company's Articles of Incorporation. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders.

A motion may be resolved by way of vote, or shall be deemed passed if no objection to the motion is expressed by all of the shareholders present at the meeting after the solicitation of the chairman, and shall have the same effect as if it was voted through ballot casting.

If there is an amendment or alternative to a motion, the chairman shall combine the amendment or alternative with the original motion to determine their orders for resolution. In addition, if the proposal submitted by shareholders according to Article 3 of these Rules is conflicting or amending or substituting against the proposal of the Board of Directors, the chairman shall combine the proposal of shareholders with that of the Board of Directors to decide the order for resolution. If any one of the above motions is passed, the others shall be deemed as rejected, upon which no further resolution shall be required. But where the Company allows its shareholders to exercise their voting rights in writing by correspondence or by way of electronic transmission, unless the number of votes cast in writing by correspondence or by way of electronic transmission have reached a majority vote for the motion, the passing of a motion may not occur through the "passed if no objection to the motion is expressed by all of the shareholders present at the meeting" clause.

Vote monitoring and counting personnel for the voting on a motion shall be appointed by the chairman.

Counting of the votes shall be completed at the site of the shareholders meeting. The result of the votes shall be announced and recorded on the spot.

Where the Company convenes a virtual shareholders meeting, after the Chairman calls the meeting to order, shareholders who participate in the shareholders meeting by video conferencing shall vote on each motion and election motion through the Video Conferencing Platform, and shall complete the voting before the Chairman announces the end of the voting, and any delay shall be deemed as abstention.

Where the Company convenes a virtual shareholders meeting, the Company shall conduct a one-time vote count and announce the voting and election results after the Chairman announces the close of voting.

When the Company convenes a hybrid shareholders meeting, shareholders who have registered to attend the shareholders meeting by video conferencing in accordance with Article 6 but wish to attend the physical shareholders meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders meeting; if they deregister after that time, they may attend the shareholders meeting by video conferencing only.

Those who exercise their voting rights by written or electronic means without revoking their expression of intention and participate in the shareholders meeting by video conferencing may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for ad hoc motions.

The persons responsible for checking ballots must be shareholders and shall monitor the voting procedure to prevent the occurrence of inappropriate voting behavior, examine ballots and monitor the records of the persons responsible for counting ballots. A ballot will be deemed invalid and shall not be calculated under any of the following conditions:

1. Where a ballot is not placed on the form provided by the Company.
2. Where a ballot is not placed in the ballot box.
3. Where a ballot is blank without any words written or without any writing expressing opinion regarding the motion.
4. Where a ballot is found to have words thereon other than those required to be filled in.
5. Where the handwriting on a ballot is too blurred or indistinct to be readable or has been altered.
6. Where a ballot is used by a proxy in violation of "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."
7. Where any violation of laws or regulations or voting guidelines made by the Company is found.

The standard for recognition of invalid ballots in cases of shareholders exercising voting rights in writing by correspondence is carried out in conformity with the Subparagraphs 1, 3, 4, 5 and 7 of the preceding Paragraph. In the case of doubts or disputes, the Company's verification unit is

authorized to arbitrate the doubts or dispute. In addition, the standard for recognition of invalid ballots in cases of shareholder voting rights being exercised through electronic transmission is carried out in conformity with Subparagraph 7 of the preceding Paragraph, as well as in compliance with the regulations of the relevant competent authority.

#### Article 14

If the shareholders shall elect directors at the shareholders meeting, the election shall be handled in accordance with the rules related to election of directors of the Company and the results of the election shall be announced on the spot, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election of the preceding Paragraph shall be properly preserved in envelopes with seals and signatures of the persons responsible for checking ballots thereon and shall be preserved for at least one year; provided that if any shareholder files a lawsuit according to Article 189 of the Company Act, such ballots shall be preserved until end of the litigation.

#### Article 15

Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The minutes of the meeting may be prepared and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding Paragraph by means of a public announcement made through the Market Observation Post System.

The meeting minutes shall accurately record the date (year, month, day) and venue of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be preserved for the duration of the existence of the Company.

If a shareholders meeting is held by video conferencing, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding Paragraph, the starting and ending time of the shareholders meeting, the manner in which the meeting is held, the names of the chairman and the minute taker, and the manner and situation of handling any interruption from the Video Conferencing Platform or video participation due to natural disasters, contingencies, or other force majeure.

In addition to complying with the provisions of the preceding Paragraph, the Company, if convenes a virtual shareholders meeting, shall include in the minutes of the alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.

## Article 16

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, as well as those held by shareholders present in writing or by electronic means, and shall make an express disclosure of the same at the venue of the shareholders meeting. If a shareholders meeting is held by video conferencing, the foregoing information shall be uploaded by the Company to the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

If a shareholders meeting is held by video conferencing, the total number of shares of shareholders present shall be disclosed on the Video Conferencing Platform when the meeting is called to order. The same shall apply if the total number of shares and voting rights of shareholders present are also counted during the meeting.

## Article 17

Where the Company convenes a virtual shareholders meeting, the voting results of each motion and the election results shall be disclosed by the Company on the Video Conferencing Platform of the Shareholders Meetings in accordance with the regulations and shall continue to be disclosed for at least 15 minutes after the chairman announces the adjournment of the meeting.

## Article 18

When the Company holds a virtual shareholders meeting, the chairman and minute taker shall be present at the same place in the Republic of China.

## Article 19

When a shareholders meeting is convened by video conferencing, the chairman, when calling the meeting to order, shall announce separately that, except for the circumstances specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or reconvening of the meeting, if, before the chairman announces the adjournment of the meeting, there is any interruption to participation on the Video Conferencing Platform or by video conferencing for a period of 30 minutes or more due to a natural disaster, a contingency, or other force majeure, the meeting shall be postponed or resumed within five days, in which case Article 182 of the Company Act shall not apply.

In the event of a postponement or reconvening of a meeting under the preceding Paragraph, shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the postponed or resumed meeting.

For those shareholders who have registered to attend the original shareholders meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or resumed meeting, their number of shares, voting rights and election rights

exercised at the original shareholders meeting shall be counted as the total number of shares, voting rights and election rights of shareholders present at the postponed or resumed meeting.

If the shareholders meeting is postponed or resumed in accordance with Paragraph 1, it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors or supervisors elected have been announced.

In the event that the Company convenes a hybrid shareholders meeting and the meeting cannot be reconvened in the case of any circumstance under Paragraph 1, and if, after deducting the number of shares present at the shareholders meeting by video conferencing, the total number of shares present still reaches the quorum for the shareholders meeting, the shareholders meeting shall continue, without being postponed or resumed in accordance with Paragraph 1.

In the event that a meeting should be continued, the number of shares held by shareholders participating in the meeting by way of video conferencing shall be counted as the total number of shares of shareholders present, but shall be deemed to be abstained for all motions at that meeting.

If the Company postpones or resumes a shareholders meeting in accordance with Paragraph 1, the Company shall follow the provisions set forth in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary procedures on the date of the original shareholders meeting and in accordance with the provisions of such Article.

The Company shall postpone or resume the shareholders meeting in accordance with the provisions of Paragraph 1 within the period stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and that specified in Paragraph 2 of Article 44-5, Article 44-15, or Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

#### Article 20

The Company, if wishing to convene a virtual shareholders meeting, shall provide appropriate alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.

#### Article 21

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

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. Proctors or security personnel helping to maintain order at the meeting place shall wear an identification card or armband bearing the word "Proctor."

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

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

#### Article 22

When a meeting is in progress, the chairman may announce a break based on time considerations. If an air-raid alarm, an earthquake or a force majeure event occurs, the chairman may unilaterally rule the meeting temporarily suspended for evacuation individually and announce whether, in view of the circumstances, the meeting will be resumed after the reason of suspending the meeting is eliminated.

#### Article 23

Any concerning matter that is not addressed in these Rules shall be handled in accordance with the Company Act and other related laws and regulations, and the relevant provisions of the Articles of Incorporation of the Company.

#### Article 24

These Rules shall be effective from the date it is approved by the shareholders meeting. The same applies in the case of amendments.

#### Article 25

These Rules were enacted on June 10, 2009.

The first amendment was made on June 5, 2012.

The second amendment was made on June 10, 2015.

The third amendment was made on June 15, 2016.

The fourth amendment was made on June 24, 2019.

The fifth amendment was made on May 29, 2020.

The sixth amendment was made on June 11, 2021.

The seventh amendment was made on June 2, 2022.

**Nuvoton Technology Corporation  
Procedures for Election of Directors**

Amended and enacted by the Shareholders Meeting on June 24, 2019.

Article 1

To ensure a just, fair and open election of directors, these Procedures are hereby adopted.

Article 2

The candidate nomination and election of directors shall be conducted in accordance with the Company Act, Securities and Exchange Act and other relevant laws and regulations. The professional qualification, shareholding, restrictions on concurrent serving in other companies and other matters to be complied with by independent directors shall be processed in accordance with relevant laws and regulations.

Article 3

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

1. Making judgments about operations ability.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership ability.
8. Decision-making ability.

Article 4 (Deleted)

Article 5

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



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

#### Article 6

Elections of directors at the Company shall adopt the candidate nomination system and procedures set out in Article 192-1 of the Company Act and cumulative voting with single name registered on the ballot. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or allocated among multiple candidates shown on the list of director candidates.

#### Article 7

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

#### Article 8

The number of directors will be as specified in the Company's Articles of Incorporation. Independent directors and non-independent directors shall be voted at the same time but the votes for independent and non-independent director positions shall be separately calculated. Those receiving ballots representing the highest numbers of votes will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.

#### Article 9

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

#### Article 10

If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "candidate" of the ballot. If the

candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification certificate in the same column. If the candidate is a government agency or a legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column of to be elected. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.

#### Article 11

A ballot shall be void and excluded from the votes for any candidate upon any of the following conditions:

1. The ballot was not prepared by the Board of Directors.
2. A ballot is placed in ballot boxes not prepared by the Board of Directors, or a blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. Candidate(s) listed on the same ballot are not on the candidate list or two or more candidates on the candidate list are listed on the same ballot.
5. The candidate whose name is filled in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is filled in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
6. There are other written characters or symbols in addition to the account name/name(s) of the candidate(s), shareholder account number/number of identification certificate and voting rights allocated, on the ballot.
7. The name of a candidate filled in on the ballot is same as another shareholder's name but the respective shareholder account numbers or numbers of identification certificates are not indicated to identify each of them.

#### Article 12

After completion of voting by attending shareholders, the ballot boxes shall be opened and the votes will be counted on the spot under the supervision of the voting supervisors. The voting results, including the list of elected directors and the number of votes obtained by each elected director will be announced by the chairman on the spot.

#### Article 13

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

Article 14

Any other matters not set forth in the Procedures shall be dealt with in accordance with the Company Act and relevant laws and regulations, Articles of Incorporation of the Company, and relevant provisions in the Rules Governing the Conduct of Shareholders Meeting.

Article 15

These Procedures shall be implemented after approval by a shareholders meeting. Any amendment hereto is subject to the same procedures.

Article 16

These Procedures were enacted on June 10, 2009.

The first amendment was made on June 14, 2013.

The second amendment was made on June 10, 2015.

The third amendment was made on June 15, 2016.

The fourth amendment was made on June 24, 2019.

**Nuvoton Technology Corporation**  
**Articles of Incorporation (After Amendment)<sup>2</sup>**

**I. General Provisions**

Article 1

The Company is incorporated as a company limited by shares under the Company Act and shall have the name 新唐科技股份有限公司 (NUVOTON TECHNOLOGY CORPORATION, hereinafter “the Company”).

Article 2

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

1. CC01080 Electronic Parts and Components Manufacturing
2. CC01110 Computers and Computing Peripheral Equipment Manufacturing
3. CC01120 Data Storage Media Manufacturing and Duplicating
4. F401010 International Trade
5. I301010 Software Design Services
6. I501010 Product Designing

Research and development, designing, manufacturing and selling of the following products and technologies:

1. Consumer Logic IC Products
2. Computer Logic IC Products
3. Production, testing, and foundry service of 6-inch wafers

Article 3

The Company may provide endorsement and guarantee for the operational needs of the Company.

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<sup>2</sup> This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

#### Article 4

The total amount of the Company's investments shall not be subject to the ceiling of 40% of the Company's paid-up capital.

#### Article 5

The Company has its head-office in Hsinchu Science Park, Taiwan. Subject to the approval of the Board of Directors and government authority, the Company may, if necessary, set up branches or business offices within and outside of the Republic of China.

#### Article 6

Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

## II. Shares

#### Article 7

The total capital of the Company shall be in the amount of five billion New Taiwan Dollars (NT\$5,000,000,000), divided into 500 million shares, at ten New Taiwan Dollars (NT\$10) each, and may be issued in installments and part of which may be preferred shares. The un-issued shares may be issued by a resolution of the Board of Directors whenever it deems necessary. In the aforesaid total capital, up to one hundred eighty million New Taiwan Dollars (NT\$180,000,000) may be reserved for issuance of stock warrants, preferred shares with warrants or corporate bonds with warrants, consisting of 18 million shares, with a par value of ten New Taiwan Dollars (NT\$10) per share, which may be issued in installments. The respective amount of stock warrants, preferred shares with warrants or corporate bonds with warrants may be adjusted by the Board of Directors in consideration of factors concerning capital market and operation needs.

#### Article 7-1:

The rights and obligations and other major issuance terms of the Company's preferred shares are as follows:

1. The dividend on preferred shares shall be limited to a maximum of 8% per annum and calculated by the issuance price per share, take priority over the dividend and bonus on common shares and be distributed once in cash every year. After the Company resolves the distribution of earnings, the Board of Directors will determine the record date on which the distributable dividends for the previous year will be paid. The distribution amount of dividends in the year of issuance and year of redemption shall be calculated based on the actual number of issuance days of the current year. The issuance date shall be defined as the

record date for the issuance of the preferred shares for capital increase.

2. The Company has sole discretion over the distribution of dividends on preferred shares, and may resolve not to distribute dividends on preferred shares. If there are no earnings in the annual final accounts or the shareholders' meeting resolves not to distribute any dividends on preferred shares, any such undistributed dividends shall not be cumulative, and no deferred payment will be paid in subsequent years where there are earnings.
3. Except for receiving the dividends prescribed in subparagraph 2 of this paragraph, preferred shareholders are not entitled to the distribution of cash or stock dividends from earnings or the capital reserve with regard to common shares.
4. Holders of preferred shares shall take priority over holders of common shares with respect to the distribution of the residual property of the Company and rank *pari passu* with shareholders of all kinds of preferred shares issued by the Company in terms of debt repayment but inferior to general creditors, provided that the amount of such distribution shall not exceed that of the preference shares then in issue and outstanding calculated at the issuance price.
5. Holders of preferred shares shall have no right to vote in the shareholders' meeting, but are entitled to be elected as directors. However, such shareholders have voting rights in preferred shareholders' meetings and in the shareholders' meetings that deal with agendas relating to any rights and obligations of preferred shareholders.
6. Preferred shares may not be converted into common shares.
7. Preferred shares shall have no maturity, and preferred shareholders shall not request the Company to redeem the preferred shares they hold, but the Company may redeem all or part of the preferred shares at any time on or after the next day following the fifth anniversary of the issuance date at the original issuance price. Unredeemed preferred shares shall continue to enjoy rights and obligations of issuance terms prescribed in the preceding subparagraphs. In the year when the Company resolves to distribute any dividends, the dividends that shall be distributed until the redemption date shall be calculated based on the actual number of issuance days of that year.
8. The capital reserve from the premium issue of the preferred shares shall not be capitalized during the issuance period of the preferred shares. The Board of Directors is authorized to determine the name, issuance date and specific issuance terms of the preferred shares upon actual issuance thereof depending on the conditions of capital markets in accordance with these Articles of Incorporation and related laws and regulations.

## Article 8

The shares issued by the Company may be in scripless form and without physical certificates, but the Company shall register the shares with the central securities depository institution.

Article 9 (Deleted)

### **III. Shareholders Meeting**

Article 10

Shareholders meetings of the Company are of two types: regular meetings and special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, whenever necessary. A preferred shareholders' meeting may be convened in accordance with relevant laws and regulations when necessary.

The Company's shareholders meetings may be held by video conferencing or other means announced by the central competent authority.

Article 11

Shareholders may designate a proxy to attend a shareholders meeting with a power of attorney stating the scope of authority in accordance with the Company Act and relevant regulations, promulgated by government authorities.

Article 12

Each share of stock shall be entitled to one vote, unless otherwise provided by applicable laws or regulations.

Article 13

Except otherwise provided by the laws and regulations, a resolution of the shareholders meeting shall be adopted by the consent of a majority of the votes represented by attending shareholders, in person or by proxy, who represent a majority of the total issued shares of the Company.

Article 13-1

The revocation of public issuance shall be reported to the shareholders meeting for resolution.

Article 14 (Deleted)

### **IV Board of Directors and Audit Committee**

Article 15

The Company shall have nine to eleven directors, whose term of office is three years. Among the

directors there should be not less than three independent directors. Election of directors shall adopt the candidates nomination system prescribed in Article 192-1 of the Company Act. All of the directors are elected by the shareholders meeting from the candidate list of directors and are eligible for re-election. Independent and non-independent directors shall be elected at the same time, but the quota shall be calculated separately. The method of candidate nomination and election of directors shall conform to the Company Act, the Securities and Exchange Act, and other relevant rules and regulations. The professional qualifications, requirements relating to shareholdings, restrictions on concurrent positions held, and other compliance matters with respect to independent directors shall conform to relevant rules and regulations. The Board of Directors may resolve to purchase liability insurance for directors of the Company.

#### Article 15-1

The Company, pursuant to Article 14-4 of the Securities and Exchange Act, establish an audit committee. The audit committee shall be formed by all independent directors and shall have no less than three members and one of the members shall be the convener and at least one member shall be a professional on accounting or finance. The members of the audit committee shall be responsible for performing the functions and duties provided under the Company Act, Securities and Exchange Act and other laws and regulations and shall comply with relevant laws and regulations and the Company's rules and regulations.

#### Article 16

The Board of Directors shall consist of the directors of the Company; the Chairman of the Board of Directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. A Vice chairman may be appointed to assist the Chairman.

#### Article 17

Except as otherwise provided by law, meetings of the Board of Directors are convened by the Chairman of the Board of Directors. When convening a meeting of the Board of Directors, a meeting notice specifying the reasons for convening such meeting shall be sent to each director within the period prescribed by the competent authority in charge of securities laws prior to the meeting; provided that a meeting may be convened at any time in case of emergency without written notice.

The meeting notice set forth in the preceding paragraph may be in writing or e-mail or by fax.

Unless otherwise provided by law, resolutions adopted at a meeting of the Board of Directors must be approved by a majority vote of the directors being present, who shall represent no less than half of the total number of directors. Directors may designate other directors as their proxies to attend the meetings of the Board of Directors; provided that each director may act as proxy for one other director only. The Board of Directors shall meet at least once every three months.



## Article 18

In the case where the Chairman of the Board of Directors is on leave or otherwise unable to perform his/her duties, matters conducted on behalf of the Chairman shall be handled in accordance with Article 208 of the Company Act.

## Article 19

The Board of Directors is authorized to determine the remuneration of directors based on their contribution and involvement in the operations of the Company and by reference to standard compensation levels in similar industries both domestically and internationally.

## Article 20

The authorities of the Board of Directors are as follows:

1. Review operation principles, and long term and short term development plans.
2. Review and implement annual business plans.
3. Approve budget and review the results at year-end;
4. Propose to increase or decrease the Company's capital.
5. Propose profit distribution or a plan for making up losses.
6. Review, approve, amend and terminate material contracts and contracts relating to procurement, transfer, licensing or technical cooperation of important technology and patents.
7. Propose and review plans in connection with using transfer as security, sale, lease, pledge, mortgage, or other disposal of all or a substantial portion of assets of the Company.
8. Propose to revise the Articles of Incorporation.
9. Review and approve the Company's organizational structures and important business rules.
10. Decide the establishment, reorganization, or removal of branch or business offices.
11. Review capital expenditure projects whose values are over NT\$300 million (included). The Chairman of the Board of Directors is authorized to review and approve capital expenditure projects whose values are below the aforesaid amount.
12. Appoint or remove corporate officials at the level of vice presidents and higher.
13. Convene shareholders meetings and make business report (including but not limited to the date, place and manner of holding the same).
14. Approve the Company's investments or transfers of shares whose value is above NT\$300 million (included). The Chairman of the Board of Directors is authorized to review and

approve investments or transfers of shares whose values are below the aforesaid amount.

15. Appoint or dismiss auditing certified public accountant of the Company.
16. Apply for financing, providing guarantees, acceptances and credit extension with, and raise debts from, financial institutions or third persons, whose value is above NT\$300 million (included). The Chairman of the Board of Directors is authorized to review and approve those whose values are less than the aforesaid amount.
17. Decide the amount of endorsements, guarantees, and acceptances to be made in the name of the Company.
18. Examine and approve major business transactions between relevant parties (including affiliated enterprises).
19. Perform such other duties and responsibilities prescribed by law or authorized by the shareholders meetings.

When it is necessary and legally permissible, the Chairman of the Board of Directors may review, approve, or implement the matters listed in aforementioned paragraphs before reporting to the Board of Directors. When used for the same purposes, the matters specified in items 11, 14, and 16 of this Article shall not be divided for contracting or applied for, or implemented without prior approval.

Article 21 (Deleted)

## **V. Managers**

Article 22

The Company may have chief executive officer, president and several vice presidents according to the resolution of the Board of Directors, and their appointment, removal, and remuneration shall be handled in accordance with Article 29 of the Company Act. The Board of Directors is authorized to determine the duties and functions of said managers or the Board of Directors may authorize the Chairman of the Board of Directors to determine the duties and functions of the said managers.

## **VI. Accounting**

Article 23

The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year.

Article 24

After the end of each fiscal year, the Board of Directors shall have the following documents

prepared: (1) business report, (2) financial statements, and (3) proposal for allocation of surplus profit or making up losses, and submit the same for recognition at the shareholders meeting in accordance with the legal process.

#### Article 25

If the Company has net profit, 1% or more of the net profit shall be allocated as remuneration of employees and 1% or less as remuneration of directors; provided that if the Company has accumulated losses, the Company shall first set aside an amount for making up losses.

The distribution of employee and director remuneration shall be reported to the shareholders' meeting.

The Company may purchase its shares for transferring such treasury shares, issue employee options, provide pre-emptive right for employees' subscription upon issuing new shares, issue new restricted employee shares, and distribute employee remuneration, to those eligible employees of the Company's controlling or subordinated companies who meet certain criteria, which shall be determined and resolved by the Board of Directors.

The directors entitled to director's remuneration and relevant matters shall be handled in accordance with relevant laws and regulations and be determined by the Board of Directors.

#### Article 26

If the Company has pre-tax profit at the end of the current fiscal year, after paying all taxes and covering all accumulated losses, the Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company. If there is any distributable profit after aggregating the balance of the above and undistributed earnings of previous years or after aggregating the losses of the current fiscal year and undistributed earnings of previous years, special reserve shall be set aside or reversed according to laws and regulations or rules of competent authority. If there is any remaining amount, after setting aside a special reserve or retaining an amount as undistributed earnings based on business needs, and after distributing the dividends on the preferred shares with respect to the remaining amount in accordance with Article 7-1 of these Articles of Incorporation, the Board of Directors may submit a proposal for allocation of the remaining balance and the accumulated undistributed earnings to the shareholders meeting for resolution on distributing bonus and dividends to shareholders.

The Board of Directors shall be authorized to distribute the profit, the legal reserve and the capital reserve mentioned in the preceding paragraph in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, and shall report the same to the shareholders' meeting.

The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including capital and financial structure,

operating status, earnings, industry characteristics and economic cycle. The dividends shall be distributed in a steady manner. Distributable earnings may be retained undistributed or distributed in cash dividend or the combination of stock dividend and cash dividend, so as to maintain sustainable management and development. With respect to distribution of dividends, in consideration of future operating scale and cash flow requirements, no less than 50% of the remaining amount of the net profit after tax of the current year, after covering the accumulative losses and setting aside the legal reserve and the special reserve, shall be distributed to shareholders as dividends, and the percentage of cash dividends to shareholders shall not be less than 10% of the total amount of dividends to shareholders. The conditions, timing, amounts and types of retained earnings and distribution of dividends may be adjusted on proper occasions based on the needs to deal with changes in economic and industrial trends and in view of the Company's future development needs and profitability.

## **VII. Supplementary Provisions**

### Article 27

Any matters not provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

### Article 28

All kinds of rules and operational regulations of the Company shall be otherwise made.

### Article 29

These Articles of Incorporation were enacted on March 14, 2008.

The first amendment was made on September 1, 2008.

The second amendment was made on November 17, 2009.

The third amendment was made on June 10, 2011.

The fourth amendment was made on June 5, 2012.

The fifth amendment was made on June 10, 2015.

The sixth amendment was made on June 15, 2016.

The seventh amendment was made on June 12, 2018.

The eighth amendment was made on June 24, 2019.

The ninth amendment was made on December 6, 2019.

The tenth amendment was made on May 29, 2020.

The eleventh amendment was made on August 20, 2021.

The twelfth amendment was made on June 2, 2022.

**Nuvoton Technology Corporation**

**Chairman: Yuan-Mou Su**