



Code: 6202

Holtek Semiconductor Inc.

2023 Annual Shareholders' Meeting

Meeting Handbook (Translation)

Meeting Date: May 24, 2023

Edison, HSP link

No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)

-----Disclaimer-----

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2023 ANNUAL SHAREHOLDERS' MEETING ("THE AGENDA") OF HOLTEK SEMICONDUCTOR INC. ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION.

THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

Table of Contents

| | |
|---|----|
| I. Meeting Procedure ----- | 1 |
| II. Meeting Agenda ----- | 2 |
| 1. Reporting Items ----- | 3 |
| 2. Approval Items ----- | 4 |
| 3. Discussion items and election ----- | 5 |
| 4. Extemporaneous Motions ----- | 7 |
| III. Attachment | |
| 1. 2022 Business Report (Attachment 1) ----- | 8 |
| 2. Audit Committee's Review Report (Attachment 2) ----- | 11 |
| 3. 2022 Independent Auditors' Report and Financial Statements (Attachment 3) | 12 |
| 4. 2022 Earnings Distribution Chart (Attachment 4) ----- | 26 |
| 5. Comparison table for the original and amended articles of the Company's "Articles of Incorporation" (Attachment 5) ----- | 27 |
| 6. Comparison table for the original and amended articles of the "Rules and Procedures of Shareholders' Meeting" (Attachment 6) ----- | 30 |
| 7. Comparison table for the original and amended articles of the "Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions" (Attachment 7) ----- | 53 |
| IV. Appendix | |
| 1. Articles of Incorporation (Appendix 1) ----- | 54 |
| 2. Rules and Procedures of Shareholders' Meeting (Appendix 2) ----- | 59 |
| 3. Rules for Election of Directors (Appendix 3) ----- | 62 |
| 4. Shareholdings of all Directors' (Appendix 4) ----- | 64 |
| 5. The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate (Appendix 5) ----- | 65 |
| 6. Relevant Information on Proposals and Nomination Made by Shareholders Who Hold 1% or More of the Total Issued Shares of the Company (Appendix 6) ----- | 65 |

Holtek Semiconductor Inc.

2023 Annual Shareholders' Meeting Procedure

1. Call the Meeting to Order
2. Chairman's Address
3. Reporting Items
4. Approval Items
5. Discussion Items and Election
6. Extemporaneous Motions
7. Adjournment

Holtek Semiconductor Inc.

2023 Annual Shareholders' Meeting Agenda

Time: 9:00 a.m., May 24, 2023 (Wednesday)

Location: Edison, HSP link (No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.))

Meeting type: Physical shareholders' meeting

1. Call the Meeting to Order
2. Chairman's Address
3. Reporting Items
 - (1) 2022 Business Report
 - (2) Audit Committee's Review Report
 - (3) Report on 2022 Employees' and Directors' Remuneration
4. Approval Items
 - (1) Adoption of the 2022 Business Report and Financial Statements
 - (2) Adoption of the 2022 Earnings Distribution
5. Discussion Items and Election
 - (1) Amendment to the Company's "Articles of Incorporation"
 - (2) Amendment to the "Rules and Procedures of Shareholders' Meeting"
 - (3) Amendment to the "Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions"
 - (4) By-election of one Seat of Directors, hereby submitted for election.
 - (5) Permit directors to engage in competitive conduct
6. Extemporaneous Motions
7. Adjournment

Reporting Items

Proposal 1

Proposed by the Board of Directors

Subject: 2022 Business Report

Descriptions: Please refer to the 2022 Business Report on Page 8~10 (Attachment 1).

Proposal 2

Proposed by the Board of Directors

Subject: Audit Committee's Review Report

Descriptions: Please refer to the Audit Committee's Review Report on Page 11 (Attachment 2).

Proposal 3

Proposed by the Board of Directors

Subject: Report on 2022 Employees' and Directors' Remuneration

Descriptions: In accordance with the Company's "Articles of Incorporation", 2022 employees' and directors' remuneration are NT\$ 160,429,812 and NT\$ 19,098,787, respectively; both be distributed in cash.

Approval Items

Proposal 1

Proposed by the Board of Directors

Subject: Adoption of the 2022 Business Report and Financial Statements

Descriptions:

- (1) 2022 financial statements were audited by independent auditors, Lu, Chien-Hui and Cheng, An-Chih, of KPMG. Also 2022 Business Report and Financial Statements have been approved by the Board of Directors and reviewed by the Audit Committee. The Audit Committee's Review Report was issued accordingly.
- (2) Please refer to the 2022 Business Report, Independent Auditors' Report and Financial Statements on Page 8~10 (Attachment 1) and Page 12~25 (Attachment 3).

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject: Adoption of the 2022 Earnings Distribution

Descriptions:

- (1) The proposal for distribution of 2022 profits has been approved by the Board of Directors and reviewed by the Audit Committee. The Audit Committee's Review Report was issued accordingly.
- (2) Please refer to the 2022 Earnings Distribution Chart on Page 26 (Attachment 4).

Resolution:

Discussion Items and Election

Proposal 1

Proposed by the Board of Directors

Subject: Amendment to the Company's "Articles of Incorporation"

Descriptions:

- (1) In order to conform to the amendments of relevant laws and regulations, the Company plans to amend the Company's "Articles of Incorporation".
- (2) Comparison Table for the original and amended articles of the Company's "Articles of Incorporation" is available on Page 27~29 (Attachment 5).

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject: Amendment to the "Rules and Procedures of Shareholders' Meeting"

Descriptions:

- (1) To establish a strong governance system, the Company plans to amend the "Rules and Procedures of Shareholders' Meeting" in accordance with the current regulations of the "Samples of Corporate Governance Best Practice Principal" published by TWSE.
- (2) Comparison Table for the original and amended articles of the "Rules and Procedures of Shareholders' Meeting" is available on Page 30~52 (Attachment 6).

Resolution:

Proposal 3

Proposed by the Board of Directors

Subject: Amendment to the "Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions"

Descriptions:

- (1) In order to conform to the practice demand, the Company plans to amend the Company's "Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions".
- (2) Comparison Table for the original and amended articles of the "Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions" is available on Page 53 (Attachment 7).

Resolution:

Proposal 4

Proposed by the Board of Directors

Subject: By-election of one Seat of Directors, hereby submitted for election.

Descriptions:

- (1) Due to personal business reason, Mr. Wang, Jen-Chung resigned the director position on 2023/05/29. The company plans to conduct a by-election at 2023 annual shareholders' general meeting.
- (2) In accordance with the Company Act and the Company's "Articles of Incorporation", a candidate nomination system is adopted for the election of director. The term of office of new director will start from May 29, 2023 to May 23, 2025.
- (3) List of director candidates

| Name | Shareholdings (shares) | Education & Professional Qualifications | Current Positions |
|------------------|---------------------------|---|---|
| Wang, Min-Kun | 27,349 | Bachelor of Electronic Engineering Department, National Taiwan Institute of Technology Vice President of Product Center, Holtek Semiconductor Inc. | Vice President of Product Center, Holtek Semiconductor Inc. Representative of a juridical person director, BestComm RF Electronics (BVI) Inc., BestComm RF Electronics Inc., BestComm RF Electronics (Dongguan) Inc., ETEK technology Company Ltd., Bestway Electronics Inc., Bestway Electronics (Shenzhen) Inc., Fine Chip Electronics Inc., Fine Chip Electronics (Shanghai) Inc., Anchip Technology Corporation, Anchip Technology (Dongguan) Corporation, JXY Electronics Corporation, JXY Electronics (Shenzhen) Corporation, Best Health Electronics Corporation, Best Health Electronics (Dongguan) Corporation, Best Health Electronics HK Limited, Best Driver-tech Corporation, Best Driver-tech (Hangzho) Corporation, Best Module-Tech Corporation, Best Module-Tech (Xiamen) Corporation, Best Solution Electronic Inc., Best Solution Technology Inc., and Best Solution Technology (Dongguan) Inc. |

Resolution:

Proposal 5

Proposed by the Board of Directors

Subject: Permit directors to engage in competitive conduct

Descriptions:

- (1) Pursuant to Article 209 of the Company Act, “a director who engages in any behavior for himself/herself or on behalf of another person that is within the scope of the company's business shall explain the essential contents of such an act to the shareholders’ meeting and obtain its approval.”
- (2) The details of director candidates concurrently holding positions in other companies are as follows. In order to meet actual business needs and without prejudice to the interests of the company, it is intended to release the non-competition restriction of the newly elected director.

| Name | Company Name and Concurrent Position |
|---------------|--|
| Wang, Min-Kun | Representative of a juridical person director, BestComm RF Electronics (BVI) Inc., BestComm RF Electronics Inc., BestComm RF Electronics (Dongguan) Inc., ETEK technology Company Ltd., Bestway Electronics Inc., Bestway Electronics (Shenzhen) Inc., Fine Chip Electronics Inc., Fine Chip Electronics (Shanghai) Inc., Anchip Technology Corporation, Anchip Technology (Dongguan) Corporation, JXY Electronics Corporation, JXY Electronics (Shenzhen) Corporation, Best Health Electronics Corporation, Best Health Electronics (Dongguan) Corporation, Best Health Electronics HK Limited, Best Driver-tech Corporation, Best Driver-tech (Hangzho) Corporation, Best Module-Tech Corporation, Best Module-Tech (Xiamen) Corporation, Best Solution Electronic Inc., Best Solution Technology Inc., and Best Solution Technology (Dongguan) Inc. |

Resolution:

Extemporary Motions

Adjournment

Attachment

Attachment 1

Holtek Semiconductor Inc.

2021 Business Report

The year 2022 was certainly one of many changes. Originally, it was anticipated that the imposed controls regarding COVID restrictions could be removed, that borders could re-open and that we would experience a general re-opening of society. The semiconductor industry was full of hope for a revitalization of global economic activity. However, with the escalation of the Ukrainian situation, the intensification of Sino-US trade and technology frictions along with some transitory stagnation due to the China mainland lockdown, the global economy has experienced a major inflation crisis. From the strong demand in various application areas causing a shortage of semiconductor devices to a sharp shrinkage of demand, this has all affected the semiconductor industry. As a result of these pressures it has been difficult for related upstream to downstream consumer electronics companies to achieve exceptional operating performance. These combined factors and pressures were beyond the expectations of IC industry management teams. Holtek was not immune to the negative effects of sharp declines in global consumption, mainland demand and export stagnation, therefore overall performance in 2022 was not as ideal as we would have liked.

In 2022, Holtek's annual revenue was 6.016 billion NT (New Taiwan Dollars), a decrease of 16% from 7.128 billion NT in 2021, with a gross profit rate reducing to 50.6%. The after-tax net profit attributable to the parent company was 1.106 billion NT, which is down by 46% from the previous year's value of 2.044 billion NT, providing an after-tax profit per share of 4.89 NT.

During 2022, market demand saw a rapid decline. For Holtek's key products, which included touch switch application MCUs, 32-bit MCUs, USB application MCUs, RF wireless communication MCUs, power management devices, health measurement MCUs, wireless charging applications, etc., under the negative influences of inflation and lockdown, these products failed to reach their revenue targets and exhibited negative growth. However, products such as smoke and gas detectors, brushless DC motor control devices and a range of other devices continued to show good performance. Overall, Holtek's performance in 2022 could be viewed as unsatisfactory with several areas requiring improvement and attention. In this regard the company looks forward to a more positive situation during 2023.

Holtek's overall operating situation in 2022 is subdivided into product development, business operations and production:

Looking at product development, a wide range of new product releases were made during 2022. These included 8-bit and 32-bit MCUs, LCD and LED drivers, touch switch devices, RF wireless communication hopping code MCUs, BLDC motor control and driver MCUs, smart card reader application MCUs, safety products including smoke detectors, smoke detector network devices as well as power tool charger devices, etc., a total of 52 various new MCU types. There was an additional release of eight second-generation proximity sensing modules and gas detection digital sensors as well as three new developments

platforms to provide customers with the tools to improve their design and production efficiency.

In terms of business promotion, this was influenced by global epidemic prevention policies which differed from country to country. China continued to implement lockdown policies for epidemic prevention which resulted in production stagnation and a reduction of domestic demand. In addition to this, end customers shifted the manufacturing focus from mainland China, which in turn affected the entire business promotional activities, resulting in a 2022 revenue reduction of 60% when compared to the previous year. As a result of this, there was new market expansion and new customers emerging in India and other developing countries. According to established goals and plans, new product projects and customer sources continued to increase, resulting in an overall overseas revenue increase of 26%, which was in fact a very good development.

Regarding production, 2022 could be seen as one of the more turbulent years for production and sales with unfinished orders in the first half of the year and then seeing a rapid reduction in market demand during the second half of the year. As wafer packaging prices will remain at a high level, this will result in sharp inventory increases. These are the main reasons why production in 2022 failed to respond to changes in customer demand and failed to meet annual shipment targets.

2023 Main business focus:

An examination of news regarding the COVID-19 pandemic reveals that there will be much improvement during 2023. However, due to the situation in Ukraine, interest rate increases in various countries, rising geopolitical risks along with weak domestic demand in China, etc., inflationary pressures will continue on their upward trajectory. This rapid rise has impacted the end-user consumer market provoking heightened concerns about a global economic recession. Presently, the demand for downstream consumer electronics continues to decline with a slow reduction of inventoried final products. Although the supply of wafer production capacity in 2023 remains stable, prices have not reduced as much as was expected. Holtek will keep its priority on inventory elimination and also continue with key product development, actively reduce internal costs and strengthen the development of overseas markets to provide global customers with a full range of services.

Product Development

Holtek will continue to keep the MCU as its main product axis and actively maintain its development efforts in IC development related to "smart life and security protection applications", to enhance the functions and performance of its MCU products. The company will continue to develop 32-bit Arm® core dedicated MCUs which will see usage in applications such as image recognition, motor control, fingerprint recognition, health measurement, security protection, music synthesis, etc. Other development areas will include integrated AES encryption and decryption functions, CRC operational functions, 24-bit high-resolution Delta-Sigma A/D converters, multi-channel music synthesisers, CAN Bus devices and front-end AFEs and other peripherals. At the same time, the company will continue with its development of a range of digital sensing module products which will combine Bluetooth and Sub-1GHz radio frequency technology to actively seize business

opportunities in the Internet of Things (IoT) market enabling it to respond to the trend for AIoT (Artificial Intelligence Internet of Things).

Production and Marketing

Holtek aims to provide a full range of total solution services. In this regard, in addition to its standard MCU range, Holtek continues to develop ASSP MCUs for special application areas. The company is continually striving to strengthen its existing research and development capabilities, pursuing product originality to increase product value. As production capacity in 2023 will not be as constricted as it was during 2022, the company envisions that wafer foundry, packaging and testing resources will not be problematical during 2023, so Holtek sees the elimination of existing inventory as a primary goal. As for the key objectives of the company's production and sales department, this will be focused on how to reduce wafer purchase price and decrease wafer, mask and package production times.

Since Holtek will continue to face pressures due to a global economic downturn in 2023, in addition to focusing on the development and sales of microcontroller products and peripheral ICs, all relevant internal departments will need to focus their efforts on revenue increase and expenditure reduction. This will include the implementation of internal IC development IP modules, more effective use of R&D environment and resources, improve overall efficiencies and continue to promote internal cost reduction and expense controls. In addition, Holtek is also actively involved in corporate sustainable development activities. The company will continue to promote environmental sustainability, corporate governance, employee care, product responsibility and social inclusion. Holtek will adhere to the "Task Force on Climate-Related Financial Disclosures" (TCFD) by implementing its four core elements. These core elements are governance, strategy, risk management and metrics and targets. This will establish a risk framework to identify major risks and opportunities that may be created due to operations and which will propose relevant management actions and mitigating strategies. We believe that Holtek, in 2023, relying on the long-term technical experience in MCU development and following ESG-related laws and regulations, is well placed to create maximum value from its activities from product development to energy saving and carbon reduction. This enables the company to return stable profits to all shareholders and colleagues and to fulfill its corporate social responsibilities. Finally, it goes without saying for us to thank all our shareholders for their continued support and encouragement.

Chairman: Wu, Chi-Yung

President: Gau, Kuo-Tung

Accounting Manager: Liao, Ming-Tung

Attachment 2

Holtek Semiconductor Inc.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and proposal for distribution of profits. The 2022 Financial Statements were audited by independent auditors, Lu, Chien-Hui and Cheng, An-Chih, of KPMG and issued an Independent Audit Report. The 2022 Business Report, Financial Statements and proposal for distribution of profits have been checked by the Audit Committee and no irregularities were found. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To Holtek Semiconductor Inc. 2023 Annual Shareholders' Meeting

Holtek Semiconductor Inc.

Chairman of the Audit Committee: Lu, Cheng-Yueh

March 08, 2023

Attachment 3

Independent Auditors' Report

To the Board of Directors of Holtek Semiconductor Inc.:

Opinion

We have audited the consolidated financial statements of Holtek Semiconductor Inc. and its subsidiaries (collectively as “the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition — related-party and unrealized gross profits on sales to associates

Refer to Note 4(15) “Revenue recognition”, and Note 7(2) “Significant related-party transactions” to the consolidated financial statements.

Description of key audit matter:

The revenue is the basic operational activity of the Group's sustainable operation, which is related to the operational performance of the enterprise, and because the main transaction is the relationship person, it has a high risk of high fraud. Therefore, the valuation of receivables is the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Group's controls surrounding revenue recognition, Collection operation cycle and Evaluating the reasonableness of commercial transactions; Evaluating revenue trend analysis; understanding the transactions of related parties and execution of the accounts; Executing the related party's letter of confirmation; Assessing the correctness and reasonableness of the gross profit margin of sales and the unrealized gross profit on sales to associates; and assessing whether the Group has properly disclosed relevant information about the sales of the related parties and unrealized gross profit on sales to associates.

Other Matters

Holtek Semiconductor Inc. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with emphasis-of-matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed 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 (inclusive of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 auditing standards in the Republic of China, we exercised professional judgment and 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 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 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 identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated 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 determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lu, Chien-Hui and Cheng, An-Chih.

KPMG

Hsinchu, Taiwan (Republic of China)

February 16, 2023

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Holtek Semiconductor Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

| | | December 31, 2022 | | December 31, 2021 | | | | December 31, 2022 | | December 31, 2021 | |
|----------------------------|--|----------------------------|-------------------|--------------------------|-------------------|---------------------------------|---|----------------------------|-------------------|--------------------------|-------------------|
| Assets | | Amount | % | Amount | % | Liabilities and Equity | | Amount | % | Amount | % |
| Current assets: | | | | | | Current liabilities: | | | | | |
| 1100 | Cash and cash equivalents (note 6(1)) | \$ 933,978 | 14 | 1,199,759 | 14 | 2150 | Notes payable | \$ 104,072 | 2 | 235,294 | 3 |
| 1110 | Financial assets measured at fair value through profit or loss — current (note 6(2)) | 242,418 | 3 | 970,068 | 11 | 2170 | Accounts payable | 560,097 | 8 | 661,967 | 8 |
| 1170 | Notes and accounts receivable, net (note 6(4)) | 94,178 | 1 | 114,000 | 1 | 2181 | Accounts payable from related parties (note 7) | 178 | - | 56 | - |
| 1180 | Accounts receivable from related parties (notes 6(4) and 7) | 819,670 | 12 | 780,971 | 9 | 2201 | Salary and bonus payable | 529,177 | 8 | 616,740 | 7 |
| 130X | Inventories (note 6(5)) | 1,822,934 | 27 | 858,202 | 10 | 2230 | Current income tax liabilities | 47,843 | 1 | 439,049 | 5 |
| 1476 | Other financial assets — current (notes 6(6) 、7 and 8) | 1,226,291 | 18 | 2,399,794 | 28 | 2280 | lease liabilities — current (note 6(11)) | 16,484 | - | 24,048 | - |
| 1479 | Other current assets | 68,881 | 1 | 115,485 | 2 | 2310 | Advance receipts | 25,098 | - | 111,860 | 1 |
| | | <u>5,208,350</u> | <u>76</u> | <u>6,438,279</u> | <u>75</u> | 2399 | Other current liabilities | <u>226,869</u> | <u>3</u> | <u>150,018</u> | <u>2</u> |
| | | | | | | | | <u>1,509,818</u> | <u>22</u> | <u>2,239,032</u> | <u>26</u> |
| Non-current assets: | | | | | | Non-current liabilities: | | | | | |
| 1518 | Equity instruments measured at fair value through other comprehensive income — non-current (note 6(3)) | 503,111 | 8 | 773,946 | 9 | 2570 | Deferred tax liabilities (note 6(13)) | 422,707 | 6 | 400,251 | 5 |
| 1550 | Investments accounted for using equity method (notes 6(7) and 7) | 422,000 | 6 | 615,409 | 7 | 2580 | lease liabilities — non-current (note 6(11)) | 71,637 | 1 | 86,719 | 1 |
| 1600 | Property, plant and equipment (note 6(8)) | 326,243 | 5 | 343,793 | 4 | 2640 | Net defined benefit liabilities (note 6(12)) | 48,497 | 1 | 81,503 | 1 |
| 1755 | Right-of — use assets (note 6(9)) | 85,802 | 1 | 108,902 | 1 | 2645 | Guarantee deposit received | <u>22,696</u> | <u>-</u> | <u>26,080</u> | <u>-</u> |
| 1780 | Intangible assets (note 6(10)) | 23,498 | - | 39,211 | 1 | | | <u>565,537</u> | <u>8</u> | <u>594,553</u> | <u>7</u> |
| 1840 | Deferred tax assets (note 6(13)) | 146,803 | 2 | 201,838 | 3 | | Total liabilities | <u>2,075,355</u> | <u>30</u> | <u>2,833,585</u> | <u>33</u> |
| 1900 | Other non-current assets | <u>104,189</u> | <u>2</u> | <u>22,455</u> | <u>-</u> | | Equity (note 6(14)) : | | | | |
| | | <u>1,611,646</u> | <u>24</u> | <u>2,105,554</u> | <u>25</u> | | Equity attributable to shareholders of the parent | | | | |
| | | | | | | 3110 | Ordinary share capital | 2,261,682 | 33 | 2,261,682 | 26 |
| | | | | | | 3200 | Capital surplus | 142,309 | 2 | 142,309 | 2 |
| | | | | | | 3300 | Retained earnings | 2,072,434 | 31 | 2,794,950 | 33 |
| | | | | | | 3400 | Other equity | <u>202,572</u> | <u>3</u> | <u>457,911</u> | <u>5</u> |
| | | | | | | | Total equity attributable to shareholders of the parent | <u>4,678,997</u> | <u>69</u> | <u>5,656,852</u> | <u>66</u> |
| | | | | | | 36XX | Non-controlling interests | <u>65,644</u> | <u>1</u> | <u>53,396</u> | <u>1</u> |
| | | | | | | | Total equity | <u>4,744,641</u> | <u>70</u> | <u>5,710,248</u> | <u>67</u> |
| Total assets | | <u>\$ 6,819,996</u> | <u>100</u> | <u>8,543,833</u> | <u>100</u> | | Total liabilities and equity | <u>\$ 6,819,996</u> | <u>100</u> | <u>8,543,833</u> | <u>100</u> |

(See accompanying notes to consolidated financial statements.)

Chairman : Wu, Chi Yung

General Manager : Gau, Kuo Tung

Accounting Manager : Liao, Ming Tung

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Holtek Semiconductor Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan Dollars, except for Earnings per Share)

| | | 2022 | | 2021 | |
|------|--|---------------------|------------|------------------|-----------|
| | | Amount | % | Amount | % |
| 4000 | Revenues (notes 6(17) 、7) | \$ 6,015,968 | 100 | 7,127,750 | 100 |
| 5000 | Cost of Goods Sold (notes 6(5) 、(10) 、(12) 、(16) 、7 and 12) | <u>2,929,773</u> | <u>49</u> | <u>3,311,904</u> | <u>46</u> |
| | Gross profits | 3,086,195 | 51 | 3,815,846 | 54 |
| 5910 | Unrealized gross profits on sales to associates | <u>41,826</u> | <u>1</u> | <u>174,147</u> | <u>3</u> |
| | Realized gross profits | <u>3,044,369</u> | <u>50</u> | <u>3,641,699</u> | <u>51</u> |
| | Operating expenses (notes 6(10) 、(12) 、(16) and 12) : | | | | |
| 6100 | Selling | 171,493 | 3 | 186,391 | 3 |
| 6200 | General and administrative | 391,188 | 6 | 473,216 | 6 |
| 6300 | Research and development | 1,136,791 | 19 | 1,207,751 | 6 |
| 6450 | Expected credit impairment loss (note 6(4)) | <u>113,000</u> | <u>2</u> | <u>-</u> | <u>-</u> |
| | | <u>1,812,472</u> | <u>30</u> | <u>1,867,358</u> | <u>26</u> |
| | Operating income | <u>1,231,897</u> | <u>20</u> | <u>1,774,341</u> | <u>25</u> |
| | Non-operating income and expenses: | | | | |
| 7020 | Other gains and losses (notes 6(18) and 7) | 70,094 | 2 | 434,923 | 6 |
| 7070 | Investment income accounted for using equity method (note 6(7)) | 26,294 | - | 342,454 | 5 |
| 7100 | Interest income | 28,818 | - | 12,807 | - |
| 7130 | Dividends income (note 6(3)) | 35,923 | 1 | 28,092 | - |
| 7510 | Interest expense (note 6(11)) | <u>(2,066)</u> | <u>-</u> | <u>(1,468)</u> | <u>-</u> |
| | | <u>159,063</u> | <u>3</u> | <u>816,808</u> | <u>11</u> |
| | Income before income tax | 1,390,960 | 23 | 2,591,149 | 36 |
| 7950 | Income tax (note 6(13)) | <u>258,653</u> | <u>4</u> | <u>522,147</u> | <u>7</u> |
| | Net income | <u>1,132,307</u> | <u>19</u> | <u>2,069,002</u> | <u>29</u> |
| 8300 | Other comprehensive income: | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | | |
| 8311 | Remeasurements of the defined benefit plans(note 6(12)) | 10,314 | - | (3,487) | - |
| 8316 | Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income | <u>(283,835)</u> | <u>(4)</u> | <u>196,601</u> | <u>3</u> |
| 8349 | Income tax relating to items that will be not reclassified subsequently (note 6(13)) | <u>2,063</u> | <u>-</u> | <u>(697)</u> | <u>-</u> |
| | Total items that will not be reclassified subsequently to profit or loss | <u>(275,584)</u> | <u>(4)</u> | <u>193,811</u> | <u>3</u> |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | |
| 8361 | Exchange differences on translation of financial statements of foreign affiliates | 23,689 | - | 6,494 | - |
| 8371 | Exchange differences on translation of financial statements of invested associates accounted for using equity method (note 6(7)) | 12,395 | - | 4,262 | - |
| 8399 | Income tax relating to items that may be reclassified subsequently (note 6(13)) | <u>7,124</u> | <u>-</u> | <u>2,127</u> | <u>-</u> |
| | Total items that may be reclassified subsequently to profit or loss | <u>28,960</u> | <u>-</u> | <u>8,629</u> | <u>-</u> |
| 8300 | Other comprehensive income | <u>(246,624)</u> | <u>(4)</u> | <u>202,440</u> | <u>3</u> |
| | Total comprehensive income | <u>\$ 885,683</u> | <u>15</u> | <u>2,271,442</u> | <u>32</u> |
| | Net income attributable to: | | | | |
| 8610 | Shareholders of the parent | \$ 1,106,374 | 19 | 2,044,064 | 29 |
| 8620 | Non-controlling interests | <u>25,933</u> | <u>-</u> | <u>24,938</u> | <u>-</u> |
| | | <u>\$ 1,132,307</u> | <u>19</u> | <u>2,069,002</u> | <u>29</u> |
| | Total comprehensive income (loss) attributable to: | | | | |
| 8710 | Shareholders of the parent | \$ 859,286 | 15 | 2,246,383 | 32 |
| 8720 | Non-controlling interests | <u>26,397</u> | <u>-</u> | <u>25,059</u> | <u>-</u> |
| | | <u>\$ 885,683</u> | <u>15</u> | <u>2,271,442</u> | <u>32</u> |
| | Earnings per share (New Taiwan Dollars) (note 6(15)) | | | | |
| 9750 | Basic earnings per share | <u>\$ 4.89</u> | | <u>9.04</u> | |
| 9850 | Diluted earnings per share | <u>\$ 4.83</u> | | <u>8.93</u> | |

(See accompanying notes to consolidated financial statements.)

Chairman : Wu, Chi Yung General Manager : Gau, Kuo Tung Accounting Manager : Liao, Ming Tung

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Holtek Semiconductor Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan Dollars)

| | Equity attributed to shareholders of the parent | | | | | | | | | | | |
|--|---|---------------|-----------------|----------------------------------|-------------------------|-------------|---|--|-----------------------------|---|---------------------------|--------------|
| | Retained earnings | | | | | | Total other equity interest | | | | | |
| | | | | | | | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) from investments measured at fair value through other comprehensive income | Total other equity interest | Total equity attributed to shareholders of the parent | Non-controlling interests | Total equity |
| | | | | | | | | | | | | |
| Ordinary share capital | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | | | | | | | |
| Balance as of January 1, 2021 | \$ 2,261,682 | 142,309 | 732,672 | 31,662 | 1,020,669 | 1,785,003 | (66,714) | 319,516 | 252,802 | 4,441,796 | 40,607 | 4,482,403 |
| Net income for the period | - | - | - | - | 2,044,064 | 2,044,064 | - | - | - | 2,044,064 | 24,938 | 2,069,002 |
| Other comprehensive income for the period | - | - | - | - | (2,790) | (2,790) | 8,508 | 196,601 | 205,109 | 202,319 | 121 | 202,440 |
| Total comprehensive income for the period | - | - | - | - | 2,041,274 | 2,041,274 | 8,508 | 196,601 | 205,109 | 2,246,383 | 25,059 | 2,271,442 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | |
| Appropriation for legal reserve | - | - | 102,065 | - | (102,065) | - | - | - | - | - | - | - |
| Reversal of special reserve | - | - | - | (29,020) | 29,020 | - | - | - | - | - | - | - |
| Cash dividends distributed to shareholders | - | - | (83,705) | - | (947,622) | (1,031,327) | - | - | - | (1,031,327) | - | (1,031,327) |
| Cash dividends from subsidiaries | - | - | - | - | - | - | - | - | - | - | (12,270) | (12,270) |
| Balance as of December 31, 2021 | 2,261,682 | 142,309 | 751,032 | 2,642 | 2,041,276 | 2,794,950 | (58,206) | 516,117 | 457,911 | 5,656,852 | 53,396 | 5,710,248 |
| Net income for the period | - | - | - | - | 1,106,374 | 1,106,374 | - | - | - | 1,106,374 | 25,933 | 1,132,307 |
| Other comprehensive income for the period | - | - | - | - | 8,251 | 8,251 | 28,496 | (283,835) | (255,339) | (247,088) | 464 | (246,624) |
| Total comprehensive income for the period | - | - | - | - | 1,114,625 | 1,114,625 | 28,496 | (283,835) | (255,339) | 859,286 | 26,397 | 885,683 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | |
| Appropriation for legal reserve | - | - | 204,128 | - | (204,128) | - | - | - | - | - | - | - |
| Cash dividends distributed to shareholders | - | - | - | - | (1,837,141) | (1,837,141) | - | - | - | (1,837,141) | - | (1,837,141) |
| Cash dividends from subsidiaries | - | - | - | - | - | - | - | - | - | - | (16,829) | (16,829) |
| Increase in non-controlling interests | - | - | - | - | - | - | - | - | - | - | 2,680 | 2,680 |
| Balance as of December 31, 2022 | \$ 2,261,682 | 142,309 | 955,160 | 2,642 | 1,114,632 | 2,072,434 | (29,710) | 232,282 | 202,572 | 4,678,997 | 65,644 | 4,744,641 |

(See accompanying notes to consolidated financial statements.)

Chairman : Wu, Chi Yung

General Manager : Gau, Kuo Tung

Accounting Manager : Liao, Ming Tung

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Holtek Semiconductor Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan Dollars)

| | 2022 | 2021 |
|--|--------------------------|-------------------------|
| Cash flows from operating activities: | | |
| Income before income tax | \$ 1,390,960 | 2,591,149 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss) | | |
| Depreciation | 80,730 | 79,305 |
| Amortization | 61,940 | 68,530 |
| Expected credit impairment loss | 113,000 | - |
| Interest expense | 2,066 | 1,468 |
| Interest income | (28,818) | (12,807) |
| Dividends income | (35,923) | (28,092) |
| Investment income accounted for using equity method | (26,294) | (342,454) |
| Unrealized gross profit on sales to associates | 41,826 | 174,147 |
| Other items not affecting cash flows, net | 9,261 | 5,517 |
| Changes in operating assets and liabilities: | | |
| Financial assets measured at fair value through profit or loss | 724,359 | (187,460) |
| Notes and accounts receivable (including related parties) | (101,480) | 159,037 |
| Inventories | (956,002) | (282,040) |
| Other operating assets | 45,231 | (50,036) |
| Notes and accounts payable (including related parties) | (298,285) | 258,633 |
| Advance receipts | (93,208) | 106,779 |
| Net defined benefit liabilities | (23,182) | (12,735) |
| Other operating liabilities | 23,357 | 242,457 |
| Cash flows from operations | 929,538 | 2,771,398 |
| Interest received | 24,204 | 11,727 |
| Dividends received | 147,053 | 78,525 |
| Interest paid | (1,391) | (1,468) |
| Income tax paid | (568,992) | (155,122) |
| Net cash flows from operating activities | <u>530,412</u> | <u>2,705,060</u> |
| Cash flows from investing activities: | | |
| Acquisition of financial assets at fair value through other comprehensive income | (13,000) | - |
| Acquisitions of investments accounted for using equity method | - | (15,603) |
| Proceeds from capital reduction of investments accounted for using equity method | 40,676 | 22,387 |
| Acquisitions of property, plant and equipment | (34,938) | (55,047) |
| Increase in Guarantee deposit paid | (44,290) | (9,821) |
| Acquisition of intangible assets | (46,105) | (45,236) |
| Decrease (Increase) in other financial assets | 1,177,528 | (1,558,173) |
| Increase in other non-current assets | (38,319) | (2,953) |
| Dividends received | 35,923 | 28,092 |
| Net cash flows from (used in) investing activities | <u>1,077,475</u> | <u>(1,636,354)</u> |
| Cash flows from financing activities: | | |
| Increase (Decrease) in Guarantee deposit received | (3,363) | 14,095 |
| Payments of lease liabilities | (24,743) | (22,612) |
| Cash dividends paid | (1,837,141) | (1,031,327) |
| Decrease in non-controlling interests | (14,149) | (12,270) |
| Net cash flows used in financing activities | <u>(1,879,396)</u> | <u>(1,052,114)</u> |
| Effect of foreign exchange changes | <u>5,728</u> | <u>(15,426)</u> |
| Net increase (decrease) in cash and cash equivalents | (265,781) | 1,166 |
| Cash and cash equivalents at beginning of period | 1,199,759 | 1,198,593 |
| Cash and cash equivalents at end of period | <u><u>\$ 933,978</u></u> | <u><u>1,199,759</u></u> |

(See accompanying notes to consolidated financial statements.)

Chairman : Wu, Chi Yung General Manager : Gau, Kuo Tung Accounting Manager : Liao, Ming Tung

Independent Auditors' Report

To the Board of Directors of Holtek Semiconductor Inc.:

Opinion

We have audited the financial statements of Holtek Semiconductor Inc. ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards in the Republic of China. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition — related-party and unrealized gross profits on sales to associates

Refer to Note 4(15) "Revenue recognition", and Note 7(2) "Significant related-party transactions" to the parent company only financial statements.

Description of key audit matter:

The revenue is the basic operational activity of the Company's sustainable operation, which is related to the operational performance of the enterprise, and because the main transaction is the relationship person, it has a high risk of high fraud. Therefore, the valuation of receivables is the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Company's controls surrounding revenue recognition, Collection operation cycle and Evaluating the reasonableness of commercial transactions; Evaluating revenue trend analysis; understanding the transactions of related parties and execution of the accounts; Executing the related party's letter of confirmation; Assessing the correctness and reasonableness of the gross profit margin of sales and the unrealized gross profit on sales to associates; and assessing whether the Company has properly disclosed relevant information about the sales of the related parties and unrealized gross profit on sales to associates.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 parent company only financial statements.

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using equity method to express an opinion on the parent company only 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 identified during our audit.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Lu, Chien-Hui and Cheng, An-Chih.

KPMG

Hsinchu, Taiwan (Republic of China)

February 16, 2023

Notices to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance, and its cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Holtek Semiconductor Inc.

Balance Sheets

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

| | | December 31, 2022 | | December 31, 2021 | | | | December 31, 2022 | | December 31, 2021 | |
|----------------------------|--|----------------------------|-------------------|--------------------------|-------------------|-------------------------------------|--|----------------------------|-------------------|--------------------------|-------------------|
| | | Amount | % | Amount | % | | | Amount | % | Amount | % |
| Assets | | | | | | Liabilities and Equity | | | | | |
| Current assets: | | | | | | Current liabilities: | | | | | |
| 1100 | Cash and cash equivalents (note 6(1)) | \$ 214,847 | 3 | 258,575 | 3 | 2150 | Notes payable | \$ 104,072 | 2 | 235,294 | 3 |
| 1110 | Financial assets measured at fair value through profit or loss — current (note 6(2)) | 242,418 | 4 | 970,068 | 12 | 2170 | Accounts payable | 524,280 | 8 | 578,795 | 7 |
| 1170 | Notes and accounts receivable, net (note 6(3)) | 84,371 | 1 | 89,525 | 1 | 2180 | Accounts payable to related parties (note 7) | 8,136 | - | 8,092 | - |
| 1180 | Accounts receivable from related parties (notes 6(3) and 7) | 697,794 | 11 | 956,945 | 12 | 2201 | Salary and bonus payable | 484,906 | 7 | 567,312 | 7 |
| 130X | Inventories (note 6(4)) | 1,332,326 | 20 | 473,526 | 6 | 2230 | Current income tax liabilities | 46,138 | 1 | 423,029 | 5 |
| 1476 | Other financial assets — current (notes 6(5) 、7and 8) | 633,858 | 10 | 2,054,567 | 25 | 2280 | Lease liabilities-current(note 6(10)) | 11,471 | - | 14,880 | - |
| 1479 | Other current assets | 33,106 | - | 34,164 | - | 2310 | Advance receipts | 6,896 | - | 47,017 | - |
| | | <u>3,238,720</u> | <u>49</u> | <u>4,837,370</u> | <u>59</u> | 2399 | Other current liabilities (note 7) | <u>211,630</u> | <u>3</u> | <u>141,565</u> | <u>2</u> |
| | | | | | | | | <u>1,397,529</u> | <u>21</u> | <u>2,015,984</u> | <u>24</u> |
| Non-current assets: | | | | | | Non-current liabilities: | | | | | |
| 1550 | Investments accounted for using equity method (notes 6(6) and 7) | 3,005,542 | 46 | 2,939,919 | 36 | 2570 | Deferred tax liabilities (note 6(12)) | 415,651 | 6 | 393,448 | 5 |
| 1600 | Property, plant and equipment (note 6(7)) | 127,558 | 2 | 136,830 | 2 | 2580 | Lease liabilities-non-current(note 6(10)) | 69,767 | 1 | 80,988 | 1 |
| 1755 | Right-of-use assets (note 6(8)) | 79,295 | 1 | 94,399 | 1 | 2640 | Net defined benefit liabilities-non-current (note 6(11)) | 48,497 | 1 | 81,503 | 1 |
| 1780 | Intangible assets (note 6(9)) | 22,384 | - | 38,630 | - | 2645 | Guarantee deposit received | 16,120 | - | 26,080 | - |
| 1840 | Deferred tax assets (note 6(12)) | 146,734 | 2 | 201,647 | 2 | | | <u>550,035</u> | <u>8</u> | <u>582,019</u> | <u>7</u> |
| 1900 | Other non-current assets | 6,328 | - | 6,060 | - | Total liabilities | | <u>1,947,564</u> | <u>29</u> | <u>2,598,003</u> | <u>31</u> |
| | | <u>3,387,841</u> | <u>51</u> | <u>3,417,485</u> | <u>41</u> | Equity (note 6(13)) : | | | | | |
| | | | | | | 3110 | Ordinary share capital | 2,261,682 | 34 | 2,261,682 | 27 |
| | | | | | | 3200 | Capital surplus | 142,309 | 2 | 142,309 | 2 |
| | | | | | | 3300 | Retained earnings | 2,072,434 | 32 | 2,794,950 | 34 |
| | | | | | | 3400 | Other equity | 202,572 | 3 | 457,911 | 6 |
| | | | | | | Total equity | | <u>4,678,997</u> | <u>71</u> | <u>5,656,852</u> | <u>69</u> |
| Total assets | | <u>\$ 6,626,561</u> | <u>100</u> | <u>8,254,855</u> | <u>100</u> | Total liabilities and equity | | <u>\$ 6,626,561</u> | <u>100</u> | <u>8,254,855</u> | <u>100</u> |

(See accompanying notes to parent company only financial statements.)

Chairman : Wu, Chi Yung

General Manager : Gau, Kuo Tung

Accounting Manager : Liao, Ming Tung

Holtek Semiconductor Inc.**Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in thousands of New Taiwan Dollars, except for Earnings per Share)**

| | | 2022 | | 2021 | |
|------|--|-------------------|-----------|------------------|-----------|
| | | Amount | % | Amount | % |
| 4000 | Revenue (notes 6(16) and 7) | \$ 4,891,641 | 100 | 6,631,977 | 100 |
| 5000 | Cost of Goods Sold (notes 6(4)、(9)、(11)、(15)、7 and 12) | 2,761,967 | 57 | 3,174,352 | 48 |
| | Gross profits | 2,129,674 | 43 | 3,457,625 | 52 |
| 5910 | Unrealized gross profit on sales to associates | (234,666) | (5) | 564,276 | 8 |
| | Realized gross profits | 2,364,340 | 48 | 2,893,349 | 44 |
| | Operating expenses (notes 6(9)、(11)、(15) and 12) : | | | | |
| 6100 | Selling | 129,091 | 2 | 154,728 | 3 |
| 6200 | General and administrative | 237,619 | 5 | 311,378 | 5 |
| 6300 | Research and development | 841,037 | 17 | 1,013,841 | 15 |
| 6450 | Expected credit impairment loss (note 6(3)) | 35,354 | 1 | - | - |
| | | 1,243,101 | 25 | 1,479,947 | 23 |
| | Operating income | 1,121,239 | 23 | 1,413,402 | 21 |
| | Non-operating income and expenses: | | | | |
| 7020 | Other gains and losses (notes 6(17) and 7) | 43,758 | 1 | 348,186 | 5 |
| 7070 | Investment income accounted for using equity method (note 6(6)) | 171,856 | 4 | 757,278 | 12 |
| 7100 | Interest income | 13,437 | - | 5,513 | - |
| 7510 | Interest expense (note 6(10)) | (1,916) | - | (1,216) | - |
| | | 227,135 | 5 | 1,109,761 | 17 |
| | Income before income tax | 1,348,374 | 28 | 2,523,163 | 38 |
| 7950 | Income tax (note 6 (12)) | 242,000 | 5 | 479,099 | 7 |
| | Net income | 1,106,374 | 23 | 2,044,064 | 31 |
| 8300 | Other comprehensive income: | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | | |
| 8311 | Remeasurements of the defined benefit plans (note 6(11)) | 10,314 | - | (3,487) | - |
| 8330 | Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income | (283,835) | (6) | 196,601 | 3 |
| 8349 | Income tax relating to items that will be not reclassified subsequently (note 6(12)) | 2,063 | - | (697) | - |
| | | (275,584) | (6) | 193,811 | 3 |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | |
| 8381 | Exchange differences on translation of subsidiaries and associates for using equity method | 35,620 | 1 | 10,635 | - |
| 8399 | Income tax relating to items that may be reclassified subsequently (note 6(12)) | 7,124 | - | 2,127 | - |
| | | 28,496 | 1 | 8,508 | - |
| 8300 | Other comprehensive income | (247,088) | (5) | 202,319 | 3 |
| | Total comprehensive income | <u>\$ 859,286</u> | <u>18</u> | <u>2,246,383</u> | <u>34</u> |
| | Earnings per share (New Taiwan Dollars) (note 6(14)) | | | | |
| 9750 | Basic earnings per share | <u>\$ 4.89</u> | | <u>9.04</u> | |
| 9850 | Diluted earnings per share | <u>\$ 4.83</u> | | <u>8.93</u> | |

(See accompanying notes to parent company only financial statements.)**Chairman : Wu, Chi Yung General Manager : Gau, Kuo Tung Accounting Manager : Liao, Ming Tung**

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Holtek Semiconductor Inc.
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan Dollars)

| | Retained earnings | | | | | | Total other equity interest | | | |
|--|------------------------|-----------------|---------------|-----------------|----------------------------------|-------------------------|---|--|-----------------------------|--------------|
| | Ordinary share capital | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) from investments measured at fair value through other comprehensive income | Total other equity interest | Total equity |
| Balance as of January 1, 2021 | \$ 2,261,682 | 142,309 | 732,672 | 31,662 | 1,020,669 | 1,785,003 | (66,714) | 319,516 | 252,802 | 4,441,796 |
| Net income for the period | - | - | - | - | 2,044,064 | 2,044,064 | - | - | - | 2,044,064 |
| Other comprehensive income for the period | - | - | - | - | (2,790) | (2,790) | 8,508 | 196,601 | 205,109 | 202,319 |
| Total comprehensive income for the period | - | - | - | - | 2,041,274 | 2,041,274 | 8,508 | 196,601 | 205,109 | 2,246,383 |
| Appropriation and distribution of retained earnings | | | | | | | | | | |
| Appropriation for legal reserve | - | - | 102,065 | - | (102,065) | - | - | - | - | - |
| Reversal of special reserve | - | - | - | (29,020) | 29,020 | - | - | - | - | - |
| Cash dividends distributed to shareholders | - | - | (83,705) | - | (947,622) | (1,031,327) | - | - | - | (1,031,327) |
| Balance as of December 31, 2021 | 2,261,682 | 142,309 | 751,032 | 2,642 | 2,041,276 | 2,794,950 | (58,206) | 516,117 | 457,911 | 5,656,852 |
| Net income for the period | - | - | - | - | 1,106,374 | 1,106,374 | - | - | - | 1,106,374 |
| Other comprehensive income for the period | - | - | - | - | 8,251 | 8,251 | 28,496 | (283,835) | (255,339) | (247,088) |
| Total comprehensive income for the period | - | - | - | - | 1,114,625 | 1,114,625 | 28,496 | (283,835) | (255,339) | 859,286 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Appropriation for legal reserve | - | - | 204,128 | - | (204,128) | - | - | - | - | - |
| Cash dividends distributed to shareholders | - | - | - | - | (1,837,141) | (1,837,141) | - | - | - | (1,837,141) |
| Balance as of December 31, 2022 | \$ 2,261,682 | 142,309 | 955,160 | 2,642 | 1,114,632 | 2,072,434 | (29,710) | 232,282 | 202,572 | 4,678,997 |

(See accompanying notes to parent company only financial statements.)

Chairman : Wu, Chi Yung

General Manager : Gau, Kuo Tung

Accounting Manager : Liao, Ming Tung

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Holtek Semiconductor Inc.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

| | 2022 | 2021 |
|--|--------------------|--------------------|
| Cash flows from operating activities: | | |
| Income before income tax | \$ 1,348,374 | 2,523,163 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss) | | |
| Depreciation | 47,736 | 44,432 |
| Amortization | 61,205 | 68,045 |
| Expected credit impairment loss | 35,354 | - |
| Interest expense | 1,916 | 1,216 |
| Interest income | (13,437) | (5,513) |
| Investments income accounted for using equity method | (171,856) | (757,278) |
| Unrealized gross profit on sales to associates | (234,666) | 564,276 |
| Other items not affecting cash flows, net | 9,159 | 5,310 |
| Changes in operating assets and liabilities: | | |
| Financial assets measured at fair value through profit or loss | 724,359 | (187,460) |
| Accounts receivable (including related parties) | 228,951 | (88,754) |
| Inventories | (864,178) | (89,529) |
| Other operating assets | 732 | (11,128) |
| Accounts payable (including related parties) | (185,693) | 175,242 |
| Advance receipts | (40,121) | 43,161 |
| Net defined benefit liability | (23,182) | (12,735) |
| Other operating liabilities | (13,016) | 298,241 |
| Cash flows from operations | 911,637 | 2,570,689 |
| Interest received | 11,607 | 4,876 |
| Dividend received | 92,684 | 15,390 |
| Interest paid | (1,241) | (1,216) |
| Income tax paid | (550,962) | (97,995) |
| Net cash flows from operating activities | 463,725 | 2,491,744 |
| Cash flows from investing activities: | | |
| Acquisitions of investments accounted for using equity method | - | (189,618) |
| Acquisitions of property, plant and equipment | (23,097) | (42,338) |
| Decrease (increase) in Guarantee deposits paid | 36 | (45) |
| Acquisition of intangible assets | (44,848) | (44,974) |
| Decrease (increase) in other financial assets | 1,422,895 | (1,414,289) |
| Increase in other non-current assets | (445) | (454) |
| Net cash flows from (used in) investing activities | 1,354,541 | (1,691,718) |
| Cash flows from financing activities: | | |
| Increase (decrease) in Guarantee deposits received | (9,960) | 14,095 |
| Payments of lease liabilities | (14,893) | (12,271) |
| Cash dividends paid | (1,837,141) | (1,031,327) |
| Net cash flows used in financing activities | (1,861,994) | (1,029,503) |
| Net decrease in cash and cash equivalents | (43,728) | (229,477) |
| Cash and cash equivalents at beginning of period | 258,575 | 488,052 |
| Cash and cash equivalents at end of period | \$ 214,847 | 258,575 |

(See accompanying notes to parent company only financial statements.)

Chairman: Wu, Chi-Yung

General Manager: Gau, Kuo-Tung

Accounting Manager: Liao, Ming-Tung

Attachment 4**Holtek Semiconductor Inc.****2022 Earnings Distribution Chart**

Unit: NT\$

| | |
|---|---------------------------|
| Opening Balance of Unappropriated Retained Earnings | 6,714 |
| Plus: | |
| Remeasurements of the defined benefit plans | 8,251,005 |
| Net Income of 2022 | 1,106,373,934 |
| Retained Earnings Available for Distribution | <hr/> 1,114,631,653 |
| Minus: | |
| Legal Reserve | (111,462,494) |
| Distribution Items: | |
| Cash Dividends to Shareholders (Note 1) | (904,672,800) |
| Ending Balance of Unappropriated Retained Earnings | <hr/> <hr/> \$ 98,496,359 |

Note 1: The portion of unappropriated retained earnings was proposed to distribute cash of NT\$904,672,800 to shareholders. According to the holding ratios recorded in the shareholders' list on the dividend record date, the cash distribution will be entitled to a cash dividend of NT\$4.0 per share. Cash payment shall be rounded to one NTD. If the payout ratio is impacted to change due to the law amendments, amended regulations approved by the competent authority, the transfer of treasury stocks, the conversion of shares from domestic convertible bonds, the exercise of employee stock options or other causes, it is proposed to fully authorize the Board of Directors to proceed on the relevant matters.

Chairman:
Wu, Chi-Yung

President:
Gau, Kuo-Tung

Accounting Manager:
Liao, Ming-Tung

Attachment 5

Holtek Semiconductor Inc.

Comparison Table for the original and amended articles of the Company's “Articles of Incorporation”

| Amended Article | Original Article | Explanation |
|--|---|---|
| <p>Article 1</p> <p>The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be 盛群半導體股份有限公司 in the Chinese language, and HOLTEK SEMICONDUCTOR <u>INCORPORATION</u>, in the English language.</p> | <p>Article 1</p> <p>The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be 盛群半導體股份有限公司 in the Chinese language, and HOLTEK SEMICONDUCTOR INC. in the English language.</p> | Amend wording according to “Bureau of Foreign Trade” |
| <p>Article 2</p> <p>The business scope of the company shall be as follows:</p> <ul style="list-style-type: none"> ● CC01080 : Electronic Parts and Components Manufacturing; ● <u>F401010 : International business;</u> <p>1. Research, design, development, production and marketing of the following products:</p> <p>(1) ICs for IC Cards</p> <p>(2) Digital camera devices</p> <p>(3) FLEX Pager devices</p> <p>(4) DECT Digital wireless telephone control devices</p> <p>(5) Other Application-Specific ICs related to the above mentioned ICs</p> <p>(6) Derivative products related to the above mentioned ICs</p> <p>2. Import and export trade for the above mentioned products.</p> | <p>Article 2</p> <p>The business scope of the company shall be as follows:</p> <ul style="list-style-type: none"> ● CC01080 : Electronic Parts and Components Manufacturing; ● <u>F401030 : Manufacture and export business;</u> <p>1. Research, design, development, production and marketing of the following products:</p> <p>(1) ICs for IC Cards</p> <p>(2) Digital camera devices</p> <p>(3) FLEX Pager devices</p> <p>(4) DECT Digital wireless telephone control devices</p> <p>(5) Other Application-Specific ICs related to the above mentioned ICs</p> <p>(6) Derivative products related to the above mentioned ICs</p> <p>2. Import and export trade for the above mentioned products.</p> | Item number adjustment |
| <p>Article 3</p> <p>The Company shall have its head-office in Hsinchu Science Park and, if necessary, may set up branches or business offices in and out of this country upon a resolution of its Board of Directors and approval from the competent government authority.</p> | <p>Article 3</p> <p>The Company shall have its head-office in Hsinchu <u>Science-based Industrial Park</u> and, if necessary, may set up branches or business offices in and out of this country upon a resolution of its Board of Directors and approval from the competent government authority.</p> | Amend wording according to “Act for Establishment and Administration of Science Park” |

| Amended Article | Original Article | Explanation |
|--|---|--|
| <p>Article 7</p> <p>The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature <u>the representative</u> of the Company, and issued after duly authentication pursuant to the law.</p> <p>For the new shares to be issued to the public by the Company, the issuing company may be exempted from printing any share certificate for the shares issued or the issuing company may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue.</p> | <p>Article 7</p> <p>The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, <u>at least three directors</u> of the Company, and issued after duly authentication pursuant to the law.</p> <p>For the new shares to be issued to the public by the Company, the issuing company may be exempted from printing any share certificate for the shares issued or the issuing company may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue.</p> | <p>Amend this article in compliance with the Article 162 of the Company Act.</p> |
| <p>Article 10</p> <p>Shareholders' meeting shall be of two types, namely annual and special shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year. Special shareholders' meeting shall be convened in accordance with relevant laws, rules and regulations of the Republic of China.</p> <p><u>When the Company holds a shareholder meeting, it should be held by video conference or other methods announced by the central competent authority.</u></p> <p><u>When convening a shareholders meeting by video conference, shareholders who attend the meeting via videoconferencing will be deemed to have attended the meeting in person.</u></p> | <p>Article 10</p> <p>Shareholders' meeting shall be of two types, namely annual and special shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year. Special shareholders' meeting shall be convened in accordance with relevant laws, rules and regulations of the Republic of China.</p> | <p>Amend this article in compliance with the Article 172-2 of the Company Act.</p> |

| Amended Article | Original Article | Explanation |
|--|---|---|
| <p>Article 26</p> <p>These Articles of Incorporation were resolved on September 7, 1998. The first amendment was made on November 30, 1998, the second amendment on June 10, 1999, the third amendment on April 5, 2000, the fourth amendment on March 2, 2001, the fifth amendment on April 17, 2002, the sixth amendment on June 9, 2003, the seventh amendment on June 1, 2004, the eighth amendment on June 13, 2005, the ninth amendment on September 18, 2006, the tenth amendment on June 11, 2007, the eleventh amendment on June 13, 2008, the twelfth amendment on June 10, 2009, the thirteenth amendment on June 15, 2010, the fourteenth amendment on June 12, 2012, the fifteenth amendment on June 9, 2015, the sixteenth amendment on May 27, 2016, the seventeenth amendment on May 26, 2017 and the eighteenth amendment on May 29, 2019. <u>The nineteenth amendment on May 24, 2023.</u></p> | <p>Article 26</p> <p>These Articles of Incorporation were resolved on September 7, 1998. The first amendment was made on November 30, 1998, the second amendment on June 10, 1999, the third amendment on April 5, 2000, the fourth amendment on March 2, 2001, the fifth amendment on April 17, 2002, the sixth amendment on June 9, 2003, the seventh amendment on June 1, 2004, the eighth amendment on June 13, 2005, the ninth amendment on September 18, 2006, the tenth amendment on June 11, 2007, the eleventh amendment on June 13, 2008, the twelfth amendment on June 10, 2009, the thirteenth amendment on June 15, 2010, the fourteenth amendment on June 12, 2012, the fifteenth amendment on June 9, 2015, the sixteenth amendment on May 27, 2016, the seventeenth amendment on May 26, 2017 and the eighteenth amendment on May 29, 2019.</p> | <p>Add revision date and the number of the revisions.</p> |

Attachment 6

Holtek Semiconductor Inc.

Comparison Table for the original and amended articles of the “Rules and Procedures of Shareholders’ Meeting”

| Amended Article | Original Article | Explanation |
|--|--|---|
| <p>Article 1</p> <p><u>The Rules and Procedures of shareholders' meeting of the Company, except as otherwise provided by laws and regulations or the articles of the incorporation , should be implemented in accordance with the regulations of the “Rules and Procedures of Shareholders' Meeting.”</u></p> | <p>Article 1</p> <p>Shareholders' Meeting of the Company (the "Meeting"), except as otherwise provided by law or regulation, shall be conducted in accordance with these Rules and Procedures.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |
| <p>Article 2</p> <p><u>Unless otherwise provided by laws or regulations, the Company's shareholders meetings should be convened by the board of directors. Changing the way of convening a shareholders meeting for the Company should be obtained approval from the board of directors no later than sending the shareholders meeting notice. The Company should prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company should prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company should also have prepared the shareholders meeting agenda and</u></p> | <p>Article 2</p> <p>Shareholders or their representatives attending the Meeting shall show the Attendance certificate which manufacture and deliver by the Company and shall submit the attendance card for the purpose of signing in.</p> <p>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>Shareholders attending the meetings and vote shall be calculated based on numbers of shares.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|--|------------------|-------------|
| <p><u>supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials should also be displayed at the Company and the designated professional shareholder services agent. The shareholders meeting agenda and supplemental meeting materials in the preceding paragraph, the Company should provide to shareholders for review at the place of the a shareholders meeting by the following ways:</u></p> <p><u>1. When convening a physical shareholders meeting, the meeting materials should be distributed on-site at the meeting place.</u></p> <p><u>2. When convening a video assisted shareholders meeting, the meeting materials should be distributed on-site at the meeting place and be transmitted to the video conference platform by the electrical file.</u></p> <p><u>3. When convening a shareholders meeting via videoconferencing, the meeting materials should be transmitted to the video conference platform by the electrical file.</u></p> <p><u>Governing the Offering and Issuance of Securities by Securities Issuers should be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the matters mentioned above may be raised by an extraordinary motion.</u></p> <p><u>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</u></p> <p><u>A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular</u></p> | | |

| Amended Article | Original Article | Explanation |
|---|------------------|-------------|
| <p><u>shareholders meeting.</u></p> <p><u>The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p><u>When the circumstances of any subparagraph of paragraph 4, Article 172-1, of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p><u>Prior to the book closure date before a regular shareholders meeting is held, the Company should publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</u></p> <p><u>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal should be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</u></p> <p><u>Prior to the date for issuance of notice of a shareholders meeting, the Company should inform the shareholders who submitted proposals of the proposal screening results, and should list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors should explain the reasons for exclusion of any shareholder proposals not included in the agenda.</u></p> | | |

| Amended Article | Original Article | Explanation |
|--|--|---|
| <p>Article 3</p> <p><u>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</u></p> <p><u>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and should deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest should prevail unless a declaration is made to cancel the previous proxy appointment.</u></p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation should be submitted to the Company before two business days of the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy should prevail.</u></p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via videoconferencing, a written notice of proxy cancellation should be submitted to the Company before two business days of the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy should prevail.</u></p> | <p>Article 3</p> <p>The chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority, the chairman of the Board of Directors shall appoint one of the directors to act on his behalf. . Where the chairman of the Board of Directors does not make such a designation, the directors shall select by plurality voting from among themselves one an acting chairman of the Board of Directors.</p> <p>It is advisable that shareholders meetings convened by the Board of Directors be attended by a majority of the directors.</p> <p>For a shareholders meeting called by the Board of Directors, it is advisable that a majority of the directors and that at least one member of each functional committee attend as representative.</p> <p>Attendance details should be recorded in the shareholders meeting minutes.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |
| <p>Article 4 (Principles determining the time and place of a shareholders meeting)</p> <p><u>The place for shareholders meeting should be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration should be given to the opinions of the independent directors with respect to</u></p> | <p>Article 4</p> <p>The chairman shall call the Meeting to order at the appointed meeting time or attending shareholders do represent a majority of the total number of issued shares. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour,</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|---|---|--|
| <p><u>the place and time of the meeting.</u> <u>When the Company convenes a shareholders meeting via videoconferencing, the venue for a shareholders meeting in the preceding paragraph has waived.</u></p> | <p>may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the attending shareholders represent one third or more of the total number of issued shares shall make a tentative resolution pursuant to Article 175, paragraph 1 of the Company Act.</p> <p>When processing the preceding tentative resolution, the attending shareholders represent a majority of the total number of issued shares, the chairman may, from time to time, call the Meeting to order and the tentative resolution may be submitted to the Meeting for retroactive recognition.</p> | |
| <p><u>Article 5 (Preparation of documents such as the attendance book)</u> <u>The Company should specify in its shareholders meeting notices the time during which shareholders/solicitors/proxies (collectively, "shareholders") registrations will be accepted, the place to register for attendance, and other matters for attention.</u> <u>The time during which shareholder attendance registrations will be accepted in the preceding paragraph should be at least 30 minutes before the meeting commences.</u> <u>The place at which attendance registrations are accepted should be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</u> <u>For a shareholders meeting by video conference, the Company should accept shareholder attendance on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed attendance registrations will be deemed to have attended the meeting in person.</u> <u>Shareholders should attend the shareholders meeting by attendance card, sign-in card, or other certificates of attendance. The Company may not arbitrarily add requirements for other</u></p> | <p>Article 5</p> <p>The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.</p> <p>If the Meeting is convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.</p> <p>The chairman may not declare the Meeting adjourned prior to completion of deliberation on the Meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.</p> <p>After close of the said Meeting, shareholders shall not elect another chairman to hold another Meeting at the same place or at any other place.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting".</p> |

| Amended Article | Original Article | Explanation |
|---|------------------|--|
| <p><u>documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms should also bring identification documents for verification.</u></p> <p><u>This Company should furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</u></p> <p><u>The Company should furnish attending shareholders with the meeting agenda, annual report, attendance card, speaker's slip, ballot paper, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots should also be furnished.</u></p> <p><u>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</u></p> <p><u>For convening a shareholders meeting by video conference, shareholders who intend to attend the meeting via videoconferencing should register to the Company two business days before the date of the shareholders meeting.</u></p> <p><u>For convening a shareholders meeting by video conference, the Company should upload the meeting agenda, annual report, and other relevant information to the video conference platform of a shareholders meeting at least 30 minutes before the meeting commences, and continuously disclose the meeting data until the end of the meeting.</u></p> | | |
| <p><u>Article 5-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u></p> <p><u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u></p> <p><u>1.How shareholders attend the virtual</u></p> | Article added | In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ". |

| Amended Article | Original Article | Explanation |
|--|------------------|-------------|
| <p><u>meeting and exercise their rights.</u></p> <p><u>2.Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>2-1.To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>2-2.Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>2-3.In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>2-4.Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p> | | |

| Amended Article | Original Article | Explanation |
|--|--|---|
| <p>Article 6 <u>(The chairman and non-voting participants of a shareholders meeting)</u> <u>If a shareholders meeting is convened by the board of directors, the meeting should be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson should act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson should appoint one of the managing directors to act as chairman, or, if there are no managing directors, one of the directors should be appointed to act as chairman. Where the chairperson does not make such a designation, the managing directors or the directors should select from among themselves one person to serve as chairman.</u> <u>When a managing director or a director serves as chairman, as referred to in the preceding paragraph, the managing director or director should be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same should be true for a representative of a juristic person director that serves as chairman.</u> <u>It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance should be recorded in the meeting minutes.</u> <u>If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party should chair the meeting.</u> <u>When there are two or more such</u></p> | <p>Article 6 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation. A shareholder may not speak exceed five minutes on the same proposal, but can be extended once by the chairman whose speech shall be limited to three minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|--|--|---|
| <p><u>convening parties, they should mutually select a chairman from among themselves.</u></p> <p><u>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a nonvoting capacity.</u></p> | | |
| <p><u>Article 7 (Documentation of a shareholders meeting by audio or video)</u></p> <p><u>The Company, beginning from the time it accepts shareholder attendance registrations, should make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</u></p> <p><u>The recorded materials of the preceding paragraph should be retained for at least one year. However, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording should be retained until the conclusion of the litigation.</u></p> <p><u>For convening a shareholders meeting by video conference, the Company should keep records for enrollment, registration, sign-in, question, voting, and vote counting results of shareholders, and should make an uninterrupted audio and video recording for the video conference.</u></p> <p><u>For the information and recorded materials in the preceding paragraph, the Company should keep in proper custody for the duration; and provide the audio/video data to those who are entrusted with holding video conference for safekeeping. For convening a shareholders meeting by video conference, the Company is advised to make an audio and video recording with back-end operation interface of the video conference platform.</u></p> | <p>Article 7</p> <p>The chairman may announce the discussion closed and call for a vote if the Chairman deems it appropriate. The result of voting shall be announced at the Meeting and placed on record. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).</p> <p>The election of directors or supervisors at the Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|--|---|---|
| <p>Article 8</p> <p><u>Attendance at shareholders meetings should be calculated based on numbers of shares. The number of shares in attendance should be calculated according to the shares indicated by the attendance book, sign-in cards handed in, and numbers of shares registered by video conference platform plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></p> <p><u>The chairman should call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman should declare the meeting adjourned. Those who attend the shareholders meeting via videoconferencing, should register to the Company again according to Article 5.</u></p> <p><u>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholder represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders should be notified of the tentative resolution and another shareholders meeting should be convened within one month. Before finishing at the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the</u></p> | <p>Article 8</p> <p>Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for all proposals or parts of the proposal before extraordinary motions, the chair or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the Meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|--|---|---|
| <u>shareholders meeting pursuant to Article 174 of the Company Act.</u> | | |
| <p>Article 9</p> <p><u>If a shareholders meeting is convened by the board of directors, the meeting agenda should be set by the board of directors. Votes should be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</u></p> <p><u>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.</u></p> <p><u>The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors should promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.</u></p> <p><u>The chairman should allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman thinks that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</u></p> | <p>Article 9</p> <p>When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|---|--|--|
| <p>Article 10 <u>(Shareholder speech)</u> <u>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak should be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content should prevail. Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman should stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only appointed one of the representatives may speak on the same proposal. After an attending shareholder has spoken, the chairman may respond in person or appoint relevant personnel to respond. For convening a shareholders meeting by video conference, shareholders who attend the meeting via videoconferencing should ask questions in text in the video conference platform after the chairman calls the meeting to order and before the chairman declares the meeting adjourned. Each proposal should not be raised more than twice, and it is limited to 200 words each time. This regulation is not applicable to Paragraph 1 to Paragraph 5.</u></p> | <p>Article 10 Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting".</p> |

| Amended Article | Original Article | Explanation |
|--|--|--|
| <p><u>If the question in the preceding paragraph does not violate the rules or exceed the scope of the agenda item, it is advised to disclose the question in the video conference platform of a shareholders meeting to be well-known.</u></p> | | |
| <p>Article 11 <u>(Calculation of voting shares and recusal system)</u> <u>Voting at a shareholders meeting should be calculated based on the number of shares.</u> <u>With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights should not be calculated as part of the total number of issued shares.</u> <u>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</u> <u>The number of shares for which voting rights may not be exercised under the preceding paragraph should not be calculated as part of the voting rights represented by attending shareholders.</u> <u>With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage should not be included in the calculation.</u></p> | <p>Article 11 When the Meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the Meeting temporarily suspended and announce a time or another day when, in view of the circumstances, the Meeting will be resumed. The resolutions remain in effect regardless of announcing a break as referred to in the preceding paragraph.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting".</p> |

| Amended Article | Original Article | Explanation |
|---|---|---|
| <p>Article 12</p> <p><u>A shareholder should be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it should adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</u></p> <p><u>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph should deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest should prevail, except when a declaration is made to cancel the earlier declaration of intent.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or attend a shareholders meeting via videoconferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph should be made known to the Company, by the same means by which the voting rights were exercised, before two business</u></p> | <p>Article 12</p> <p>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend the Meeting in a non-voting capacity.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|---|------------------|-------------|
| <p><u>days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means should prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting should prevail.</u></p> <p><u>Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal should require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman should first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, should be entered into the MOPS.</u></p> <p><u>When there is an amendment or an alternative to a proposal, the chairman should present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting should be required.</u></p> <p><u>Vote monitoring and counting personnel for the voting on a proposal should be appointed by the chairman, provided that all monitoring personnel should be shareholders of the Company.</u></p> <p><u>Vote counting for shareholders meeting proposals or elections should be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed,</u></p> | | |

| Amended Article | Original Article | Explanation |
|--|------------------|-------------|
| <p><u>the results of the voting, including the statistical tallies of the numbers of votes, should be announced on-site at the meeting, and a record made of the vote.</u></p> <p><u>When the Company convenes a shareholders meeting by video conference, shareholders who attend the meeting via videoconferencing should vote on each proposal and election through the video conference platform after the chairman call the meeting to order as well as should finish the voting before the chairman announces the vote closed. Overtime will be deemed a waiver.</u></p> <p><u>When convening a shareholders meeting by video conference, the chairman should base on non-recurring count for votes to announce the vote/election results after announcing the vote closed.</u></p> <p><u>When the Company convenes a video-assisted shareholders meeting, shareholders who register to attend the meeting via videoconferencing according to Article 6 intend to attend the meeting in person, he/she should cancel the registration by the same means as he/she registers 2 business days before the date of shareholders meeting.</u></p> <p><u>Shareholders who cancel the registration over the time limit should only attend the meeting via videoconferencing.</u></p> <p><u>For shareholders who do not cancel to exercise voting rights by correspondence or electronic means and attend the shareholders meeting via videoconferencing, except for extraordinary motions, he/she should not exercise the voting right to original proposals, should not submit to amend the original proposals, or should not exercise the voting right to amendments to the original proposals.</u></p> | | |

| Amended Article | Original Article | Explanation |
|---|---|---|
| <p>Article 13</p> <p><u>The election of directors or supervisors at a shareholders meeting should be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results should be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.</u></p> <p><u>The ballots for the election referred to in the preceding paragraph should be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots should be retained until the conclusion of the litigation.</u></p> | <p>Article 13</p> <p>The chairman may direct the proctors or security personnel to help maintain order at the Meeting place. When proctors or security personnel help maintain order at the Meeting place, they shall wear an armband bearing the word "Proctor".</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |
| <p>Article 14</p> <p><u>Matters relating to the resolutions of a shareholders meeting should be recorded in the meeting minutes. The meeting minutes should be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</u></p> <p><u>The meeting minutes should accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes should be retained for the duration of the existence of the Company.</u></p> <p><u>For convening a shareholders meetingS</u></p> | <p>Article 14</p> <p>The Company shall make an uninterrupted audio and video recording during the process of the Meeting. The recorded materials of the preceding paragraph shall be retained for at least one year.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|---|---|---|
| <p><u>by video conference, the meeting minutes should not only record the matters according to the preceding paragraph, but record the start/end time of a shareholders meeting, how to call a meeting, the chairman and meeting recorder' s full name, and the actions taken when malfunction of video conference platform occurs or barrier to attending meeting via videoconferencing occurs because of natural disaster, incident occurring, or force majeure event.</u></p> <p><u>When the Company convenes a shareholders meeting via videoconferencing, in addition to handle according to the preceding paragraph, it should be specified in the shareholders meeting notice. For shareholders who have difficulty in attending the meeting via videoconferencing should provide an alternative measure.</u></p> | | |
| <p>Article 15 <u>(Public disclosure)</u></p> <p><u>On the day of a shareholders meeting, the Company should compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, number of shares represented by correspondence or electronically, and should make an express disclosure of the same at the place of the shareholders meeting. For convening a shareholders meeting by video conference, the Company should upload the information as mentioned above to the video conference platform of a shareholders meeting at least 30 minutes before the meeting commences, and continuously disclose the meeting data until the end of the meeting.</u></p> <p><u>When the Company convenes a shareholders meeting via videoconferencing and calls the meeting to order, it should disclose the total number of issued shares represented by shareholders attending the meeting to the video conference</u></p> | <p>Article 15</p> <p>These Rules and Procedures shall be effective from the date it is approved by the Meeting. The same applies in case of revision.</p> | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

| Amended Article | Original Article | Explanation |
|--|------------------|--|
| <p><u>platform, and also disclose the statistical tallies of the total numbers of voting rights and shares represented by shareholders attending the meeting during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under TWSE (or GreTai Securities Market) regulations, the Company should upload the content of such resolution to the MOPS within the prescribed time period.</u></p> | | |
| <p><u>Article 16 (Maintaining order at the meeting place)</u></p> <p><u>Staff handling administrative affairs of a shareholders meeting should wear identification cards or arm bands.</u></p> <p><u>The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they should wear an identification card or armband bearing the word "Proctor."</u></p> <p><u>At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairman may prevent the shareholder from so doing.</u></p> <p><u>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.</u></p> | Article added | In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ". |
| <p><u>Article 17 (Recess and resumption of a shareholders meeting)</u></p> <p><u>When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</u></p> <p><u>If the meeting venue is no longer available for continued use and not all of the items (including extraordinary</u></p> | Article added | In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ". |

| Amended Article | Original Article | Explanation |
|--|------------------|--|
| <u>motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</u> | | |
| <u>Article 18 (Information disclosure by video conference)</u> <u>For convening a shareholders meeting by video conference, the Company should immediately disclose the resolution results of each proposal and election to the video conference platform according to regulations after finishing the voting as well as should continuously disclose at least 15 minutes after the chairman declares the meeting adjourned.</u> | Article added | In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ". |
| <u>Article 19 (Location of chairman and meeting recorder for a shareholders meeting via videoconferencing)</u> <u>When the Company convenes a shareholders meeting via videoconferencing, the chairman and meeting recorder should be at the same location in Taiwan, and the chairman should announce the address of the location during the meeting.</u> | Article added | In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ". |
| <u>Article 20 (Handling for internet disconnection)</u> <u>For convening a shareholders meeting by video conference, the Company should provide shareholders with simple connection test before the meeting and also provide the relevant services timely before the meeting and during the meeting to assist in handling the technical issue about communications.</u> <u>For convening a shareholders meeting by video conference, the chairman should not only call the meeting to order but should announce the circumstances that do not have to defer or resume the meeting according to paragraph 4, Articles 44-20 of Regulations Governing the Administration of Shareholder Services</u> | Article added | In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ". |

| Amended Article | Original Article | Explanation |
|--|------------------|-------------|
| <p><u>of Public Companies. Before the chairman declares the meeting adjourned, when malfunction of video conference platform occurs or barrier to attending meeting via videoconferencing occurs because of natural disaster, incident occurring, or force majeure event that have lasted for over 30 minutes, the meeting should be deferred or resumed within five days. It is not applicable to Article 182 of the Company Act.</u></p> <p><u>For the circumstance in the preceding paragraph, shareholders who do not register to attend the original meeting via videoconferencing should not attend the deferred or resumed meeting.</u></p> <p><u>As to the to-be-deferred or to-be-resumed meeting according to the second paragraph, shareholders who have registered to attend the original shareholders meeting via videoconferencing and have finished the attendance registration do not attend the deferred or resumed meeting, the number of shares in the original shareholders meeting and exercised voting rights and election rights should be included in the total number of shares represented by shareholders attending the meeting, voting rights, and election rights in the deferred or resumed meeting.</u></p> <p><u>When holding the deferred or resumed shareholders meeting according to the second paragraph, as to proposals that have completed the voting and vote counting as well as have announced the resolution results or a list of elected directors, should not be necessary to re-discuss or adopt a resolution again.</u></p> <p><u>For convening a video-assisted shareholders meeting, if it is unable to be resumed, the number of shares represented by shareholders who attend the meeting via videoconferencing should be deducted from the total number of shares represented by shareholders attending the meeting. If the total number of shares represented by shareholders attending the meeting</u></p> | | |

| Amended Article | Original Article | Explanation |
|---|------------------|---|
| <p><u>has a quorum, the shareholders meeting should be to be resumed. Should not be necessary to defer or resume the meeting according to the second paragraph.</u></p> <p><u>For the circumstance in the preceding paragraph, shareholders who attend a shareholders meeting via videoconferencing, the number of shares should be plus the total number of shares represented by shareholders attending the meeting, but have waived his/her rights with respect to all proposals of that meeting.</u></p> <p><u>The Company regulates to defer or resume the meeting according to the second paragraph, and should be based on the original date of the shareholders meeting to deal with relevant predecessor activities according to Paragraph 7, Active 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>The prescribed time period of shareholders meetings for the publicly owned corporation is regulated according to second half of Article 12 and Paragraph 3, Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Company as well as paragraph 2, Articles 44-5, Article 44-15, and Paragraph 1, Articles 44-17 of Regulations Governing the Administration of Shareholder Services of Public Companies. The Company should regulate the date to defer or resume a shareholders meeting according to the second paragraph.</u></p> | | |
| <p><u>Article 21 (Handling for digital divide)</u></p> <p><u>When the Company convenes a shareholders meeting via videoconferencing, it should appropriately provide shareholders who have difficulty in attending the meeting via videoconferencing with an alternative measure.</u></p> | Article added | In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting". |

| Amended Article | Original Article | Explanation |
|--|------------------|---|
| <p>Article 22</p> <p><u>These Rules should take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto should be effected in the same manner.</u></p> | Article added | <p>In reference to the amendment of "Sample Template for XXX Co., Ltd. Rules and Procedures of Shareholders' Meeting ".</p> |

Attachment 7

Holtek Semiconductor Inc.

Comparison Table for the original and amended articles of the “Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions”

| Amended Article | Original Article | Explanation |
|--|--|---|
| <p>Article 7</p> <p>Total amount of real property and <u>right-of-use assets</u> thereof or securities <u>acquired</u> by Company and <u>each</u> subsidiary for non-business use, and investment amount on individual securities shall be restricted as follows:</p> <p>1. For non-business use real property <u>acquired by the Company</u>, the total amount shall not exceed 50 % of the <u>shareholder equity</u> in the latest financial statement of the Company; for each subsidiary <u>should not exceed</u> 30 % of the <u>shareholder equity</u> in the latest financial statement of the subsidiary.</p> <p>2. The total amount of securities investment shall not exceed 50% of <u>shareholder equity</u> in the latest financial statement of the Company; <u>each</u> subsidiary shall not exceed <u>the total of shareholder equity</u> in latest financial statement of <u>the subsidiary</u>.</p> <p>3. The amount of investment in individual securities shall not exceed 50% of <u>shareholder equity</u> in the latest financial statement of the Company; <u>each</u> subsidiary shall not exceed <u>the total of shareholder equity</u> in the latest financial statement of the subsidiary.</p> <p>4. <u>The Company’s subsidiaries that implement the same security investment whose investment in this paragraph shall not be limited.</u></p> | <p>Article 7</p> <p><u>The investment scope and amount of assets acquired or disposed of by the Company are as follows:</u></p> <p>In addition to acquiring assets for business use, the Company and the <u>company’s subsidiaries may invest</u> in real property <u>and</u> securities for non-business use, <u>subject to the following limits. In the calculation of paragraphs 4 and 5, participation in the establishment of the investment or as a director, supervisor, and the proposed long-term holder, may not be counted.</u></p> <p>1. The total amount of real property for non-business use shall not exceed 50% of the <u>net value</u> of the latest financial statement of the Company; the subsidiaries shall not exceed 30% of the <u>net value</u> of the latest financial statement.</p> <p>2. The total amount of securities shall not exceed <u>100% of the net value of the latest financial statement of the Company; the subsidiaries shall not exceed 50% of the net value in the latest financial statement.</u></p> <p>3. The amount of investment in individual securities shall not exceed 50% of <u>net value</u> in the latest financial statement of the Company; the subsidiaries shall not exceed 30% of <u>the net value in the latest financial statement.</u></p> <p>4. <u>The net investment of the Company and the subsidiaries in the listed or OTC company shall not exceed 10% of the net value of the latest financial statements.</u></p> <p>5. <u>The total investment in shareholding of the company and subsidiaries in the listed or OTC company shall not exceed 10% of the total issued shares of the listed or OTC company.</u></p> | <p>In order to conform to the practice demand</p> |

Appendix

Appendix 1

ARTICLES OF INCORPORATION OF Holtek Semiconductor Inc.

Section 1 General Provisions

Article 1

The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be 盛群半導體股份有限公司 in the Chinese language, and HOLTEK SEMICONDUCTOR INC. in the English language.

Article 2

The business scope of the company shall be as follows:

- CC01080 : Electronic Parts and Components Manufacturing;
 - F401030 : Manufacture and export business;
1. Research, design, development, production and marketing of the following products:
 - (1) ICs for IC Cards
 - (2) Digital camera devices
 - (3) FLEX Pager devices
 - (4) DECT Digital wireless telephone control devices
 - (5) Other Application-Specific ICs related to the above mentioned ICs
 - (6) Derivative products related to the above mentioned ICs
 2. Import and export trade for the above mentioned products.

Article 3

The Company shall have its head-office in Hsinchu Science-based Industrial Park and, if necessary, may set up branches or business offices in and out of this country upon a resolution of its Board of Directors and approval from the competent government authority.

Article 4

The Company may provide endorsement and guarantee to other companies. The process should be processed in accordance with the Company's Procedures for Endorsements/ Guarantees.

Article 5

The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

Section 2 Shares

Article 6

The total capital stock of the Company shall be in the amount of 3 billion New Taiwan Dollars, divided into 0.3 billion shares at NT\$10 par value each share, and may be paid-up in installments.

The Company may issue shares from time to time in accordance with the resolutions of the Board of Directors. Two hundred million New Taiwan Dollars of the total capital stock shall be divided into 20 million shares at NT\$10 par value for each share. A total of 20 million shares of the above total capital stock should be reserved for issuing stock options.

Article 6-1

For issuing employee stock warrants where the exercise price is restricted below the close price of common shares is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.

For transferring shares to its employees where the transferred price is below the buyback average price, it shall be decided by a resolution to be adopted by a two-thirds or more vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the company.

Article 7

The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law.

For the new shares to be issued to the public by the Company, the issuing company may be exempted from printing any share certificate for the shares issued or the issuing company may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue.

Article 8

Registration for transfer of shares shall all be suspended 60 days before the convocation of any regular shareholders' meeting, 30 days before the convocation of special shareholders' meeting, or 5 days before the record day for distribution of dividend, interest and bonus or any other benefit as scheduled by the Company.

Article 9

All stock operations conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Section 3 Shareholders' Meeting

Article 10

Shareholders' meeting shall be of two types, namely annual and special shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year. Special shareholders' meeting shall be convened in accordance with relevant laws, rules and regulations of the Republic of China.

Article 11

In case a shareholder is unable to attend a shareholders' meeting, he/she may issue proxy printed by the Company setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for the representative to be present on his/her behalf, in accordance with the Company Act and

the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 12

Each share is entitled to one voting right, except shares held under regulation of Article 179 of the Company Act, which have no voting rights.

Article 13

Except as regulated in the Company Act of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Section 4 Directors and Audit Committee

Article 14

The Company shall have seven to nine directors to be elected at a shareholders' meeting through nominating system from persons of legal capacity to serve a term of three years. A director may be re-elected.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors. The Company shall appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors in accordance with the Article 14-2 of the Securities and Exchange Act.

Independent directors' qualification, the limitations of shareholding and concurrently serving other positions, the methods of nomination and election and other related matters shall be subject to the applicable laws.

The Company may purchase liability insurance for its directors. The insurance coverage is authorized by the Board of Directors for resolution.

Article 15

The Board of Directors shall be organized by directors. The Chairman of the Board shall be elected by majority of directors present at a meeting attended by more than two-thirds of directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

Article 16

The total shares of nominal stocks held by the entire body of directors of the Company shall be regulated in Regulations of the minimum percentage to be held by the directors, and the examination of such holding shall be prescribed by an order from the Competent Authority.

Article 17

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, except under conditions regulated by the Company Act and the Regulations Governing Procedure for Board of Directors Meetings for holding the Meeting if emergency occurred. Directors may be notified of the Board of Directors meeting via written notice such as E-mail or fax.

Article 18

If, for any reason, the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority, its representatives policy shall be regulated by the Article 208 in the

Company Act.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may appoint another director to attend as their proxy. A proxy under paragraph 2 may accept a proxy from one person only.

Article 19

The Board of Directors is authorized to determine the compensation for the all directors, according to involvements and contributions to the Companies' operation. The compensation is restricted by the highest level of the Regulations for the Compensation of the Company. The Company shall pay the compensation regulated by Article 24, if it has profits.

Article 20

The Board of Directors shall have the following functions and responsibilities:

1. Examination and review of operational policy and medium and long-term development plans.
2. Review of and supervision over execution of annual business plans.
3. Approval of budget and examination of the final settlement of account.
4. Examination of capital increase/decrease plans.
5. Examination of earnings distribution or loss making up programs.
6. Examination and approval of important contracts.
7. Approval of organizational by-laws and important business rules.
8. Decision in establishment, reorganization or removal of branch offices.
9. Approval of major capital expenditure plans.
10. Appointment and discharge of included Vice Presidents or above.
11. Other matters to be handled in accordance with the Company Act and related laws.

Article 21

The Committee shall be composed of the entire number of independent directors. Matters concerning the number, term of office, powers and rules of procedure for meetings when the Audit Committee exercises its powers shall be handled in accordance with the Audit Committee Charter.

Section 5 Managers

Article 22

The Company may have one President and several managers, whose appointments, discharge, and remunerations shall be subject to provisions in the Company Act.

Section 6 Accounting

Article 23

After the close of each fiscal year, in accordance with the Company Act, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance.

1. Business report.
2. Financial statements.
3. Surplus earnings distribution or loss make-up proposal.

Article 24

When allocating the net profits for each fiscal year, the Company shall distribute 5~15% of profit of

the current year distributable as employees' compensation and no more than 1.5% of profit of the current year distributable as remuneration of directors. However, the Company shall have reserved a sufficient amount to offset its accumulated losses.

Employees' compensation may be distributed to employees, including employees from affiliates companies who meet certain qualification determined by the Board of Directors.

Article 24-1

If the Company has profit as a result of the yearly accounting closing, the Company shall first pay taxes, offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, then set aside special capital reserve in accordance with relevant laws or regulations or as requested by business. Any rest balance, added to the accumulated undistributed earnings in previous years, the Board of Directors shall be allocated according to shareholders' meeting resolution.

The amount of dividends distributed to shareholders shall be no less than 50% of the distributable earnings of the year concerned and no less than 50% of the shareholder's dividends shall be in the form of cash.

Section 7 Additional Rules

Article 25

In regard to all matters not provided for in the Company's Articles of Incorporation, the Company Act of the Republic of China and other regulations shall govern.

Article 26

These Articles of Incorporation were resolved on September 7, 1998. The first amendment was made on November 30, 1998, the second amendment on June 10, 1999, the third amendment on April 5, 2000, the fourth amendment on March 2, 2001, the fifth amendment on April 17, 2002, the sixth amendment on June 9, 2003, the seventh amendment on June 1, 2004, the eighth amendment on June 13, 2005, the ninth amendment on September 18, 2006, the tenth amendment on June 11, 2007, the eleventh amendment on June 13, 2008, the twelfth amendment on June 10, 2009, the thirteenth amendment on June 15, 2010, the fourteenth amendment on June 12, 2012, the fifteenth amendment on June 9, 2015, the sixteenth amendment on May 27, 2016, the seventeenth amendment on May 26, 2017 and the eighteenth amendment on May 29, 2019.

Holtek Semiconductor Inc.

Chairman Wu, Chi-Yung

Appendix 2

Holtek Semiconductor Inc.

Rules and Procedures of Shareholders' Meeting

Article 1

Shareholders' Meeting of the Company (the "Meeting"), except as otherwise provided by law or regulation, shall be conducted in accordance with these Rules and Procedures.

Article 2

Shareholders or their representatives attending the Meeting shall show the Attendance certificate which manufacture and deliver by the Company and shall submit the attendance card for the purpose of signing in.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Shareholders attending the meetings and vote shall be calculated based on numbers of shares.

Article 3

The chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority, the chairman of the Board of Directors shall appoint one of the directors to act on his behalf. . Where the chairman of the Board of Directors does not make such a designation, the directors shall select by plurality voting from among themselves one an acting chairman of the Board of Directors.

It is advisable that shareholders meetings convened by the Board of Directors be attended by a majority of the directors.

For a shareholders meeting called by the Board of Directors, it is advisable that a majority of the directors and that at least one member of each functional committee attend as representative.

Attendance details should be recorded in the shareholders meeting minutes.

Article 4

The chairman shall call the Meeting to order at the appointed meeting time or attending shareholders do represent a majority of the total number of issued shares. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the attending shareholders represent one third or more of the total number of issued shares shall make a tentative resolution pursuant to Article 175, paragraph 1 of the Company Act.

When processing the preceding tentative resolution, the attending shareholders represent a majority of the total number of issued shares, the chairman may, from time to time, call the Meeting to order and the tentative resolution may be submitted to the Meeting for retroactive recognition.

Article 5

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

If the Meeting is convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The chairman may not declare the Meeting adjourned prior to completion of deliberation on the Meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

After close of the said Meeting, shareholders shall not elect another chairman to hold another Meeting at the same place or at any other place.

Article 6

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

A shareholder may not speak exceed five minutes on the same proposal, but can be extended once by the chairman whose speech shall be limited to three minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 7

The chairman may announce the discussion closed and call for a vote if the Chairman deems it appropriate.

The result of voting shall be announced at the Meeting and placed on record.

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

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

Article 8

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights

represented by the attending shareholders. At the time of a vote, for all proposals or parts of the proposal before extraordinary motions, the chair or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the Meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Article 9

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

Article 10

Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

Article 11

When the Meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the Meeting temporarily suspended and announce a time or another day when, in view of the circumstances, the Meeting will be resumed. The resolutions remain in effect regardless of announcing a break as referred to in the preceding paragraph.

Article 12

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend the Meeting in a non-voting capacity.

Article 13

The chairman may direct the proctors or security personnel to help maintain order at the Meeting place. When proctors or security personnel help maintain order at the Meeting place, they shall wear an armband bearing the word "Proctor".

Article 14

The Company shall make an uninterrupted audio and video recording during the process of the Meeting. The recorded materials of the preceding paragraph shall be retained for at least one year.

Article 15

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

Appendix 3

Holtek Semiconductor Inc. Rules for Election of Directors

Article 1

Election of directors shall be acted upon in accordance with these regulations.

Article 2

The directors shall be elected pursuant to the candidate nomination system in Article 192-1 of the Company Act and executed in the shareholders' meeting.

Article 3

The single open-ballot, registered voting method will be used for the election of directors of the Company. The shareholder account number or attendance card number printed on the ballots may substitute for the names of voters.

Article 4

Election of directors, each voting share is entitled to have vote equivalent to the number of directors to be elected. The Board of Directors shall prepare ballots is equal to the number of directors to be elected, each ballot shall bear an elector's attendance card number and number of votes for distribution to the attending shareholders. The total number of votes may be used to elect a single candidate or be allocated among several candidates.

Article 5

The election of independent directors and non-independent directors shall be held together, but elections for these positions shall be calculated separately.

The directors and independent directors of the Company shall be elected, based on the seats stipulated in the Company's articles of incorporation, among the candidate list to make juridical acts in the shareholders' meeting. With voting rights separately calculated for independent, non-independent director and supervisor seats, those receiving ballots representing the highest numbers of voting rights will be elected as independent directors, non-independent directors, or supervisors sequentially according to their respective numbers of votes. When two or more candidates receive the same number of ballots, thus exceeding the specified seats, they shall draw lots to determine the winner. The chairman shall draw lots on behalf of the candidate not in attendance.

Article 6

(Deleted)

Article 7

The shareholders give their ballots to entrust other attending shareholders vote in his place when he/she leaves in the session.

Article 8

At the beginning of the election, the chairman shall appoint a certain number of scrutineers and ballot counters to carry out relevant duties; provided that the scrutineers shall be appointed among the shareholders in attendance.

Article 9

The ballot box(s), prepared by the Board of Directors, shall be publicly opened and inspected by scrutineers prior to the casting of ballots.

Article 10

In case a candidate is a shareholder, a voter shall fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot and may fill in his/her shareholder account number or ID card number. For a non-shareholder candidate, a voter shall fill in the candidate's name and ID card number. If the candidate is a governmental organization or a legal entity shareholder, the name of the governmental organization or the legal entity or their representative shall be entered in the column for the candidate's account name of the ballot. When there are multiple representatives, the names of each individual representative shall be entered.

Article 11

Ballots shall be deemed void under any of the following conditions:

- (1) Ballots not prepared in accordance with these Regulations;
- (2) Blank ballots not completed by the voters;
- (3) The writing is unclear and illegible or the alteration is made without sealing thereon as required by law;
- (4) If the candidate is a shareholder of the Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the roster of shareholders. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
- (5) Two or more candidates are included in a single ballot;
- (6) Ballot with other written characters or symbols in addition to candidate's name and shareholder's number/ID number;
- (7) Any of the candidate's name or shareholder's number is failed to fill in the ballot.

Article 12

After the casting of ballots is completed, the ballots shall be counted on the spot under the supervision of the inspector(s), and the results announced on the spot by the chairman.

Article 13

(Deleted)

Article 14

The election of candidate who is disqualified by Paragraphs 3 and 4 of Article 26-3 of the Taiwan Securities and Exchange Act shall be ineffective.

Article 15

These regulations shall be in accordance with otherwise provided for in Company Acts, the Company's articles of incorporation and related regulations.

Article 16

These Regulations and any revision thereof shall become effective after approval at the shareholders' meeting.

Appendix 4

Shareholdings of all Directors

1. Total shares issued as of March 26, 2023: 226,168,200 common shares.
2. The minimum number of shares held by all directors of the Company shall be 12,000,000.
3. As of March 26, 2023, all board members' shareholdings are as follows:

| Title | Name | Number of Shares (shares) | Shareholding (%) |
|--|--|------------------------------|------------------|
| Chairman | Bo-Kang Investment Ltd. Representative: Wu, Chi-Yung | 6,578,502 | 2.91% |
| Director | Gau, Kuo-Tung | 6,701,176 | 2.96% |
| Director | Chang, Chih | 1,111,785 | 0.49% |
| Director | Tsai, Jung-Tsung | 300,000 | 0.13% |
| Director | Liu, Yuan-Ho | 50,422 | 0.02% |
| Director | Wang, Jen-Chung | 2,137,209 | 0.95% |
| Independent Director | Lu, Cheng-Yueh | 0 | 0 |
| Independent Director | Hsing, Chih-Tien | 36,000 | 0.02% |
| Independent Director | Hsu, Jui-Ting | 0 | 0 |
| Total shareholding of all directors (Note 1) | | 16,879,094 | 7.46% |

Note 1: Independent directors' shareholdings are excluded from total shareholding calculations.

Appendix 5

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Not applicable.

Appendix 6

Relevant Information on Proposals and Nomination Made by Shareholders Who Hold 1% or More of the Total Issued Shares of the Company

1. The Company, in accordance with the law or regulations, announced information on the Market Observation Post System related to shareholders' right to propose motion during the period from March 17, 2023 to March 27, 2023.
2. There is no proposal or nomination raised by shareholders holding 1% or more of the total number of issued shares of the Company during the above period.