



Orient Semiconductor Electronics, Ltd.

The 2023 Annual General Shareholders' Meeting

Meeting Handbook

(This English translation is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)

Type of meeting: Physical shareholders' meeting

Date of the shareholders' meeting: June 9, 2023 on Friday at 9 a.m.

Venue: No. 600, Chia-Chang Road, Nan-Zih District, Kaohsiung City, Taiwan

(Nanzih Export Processing Zone Administration / ZhuangJing Hall)

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Orient Semiconductor Electronics, Ltd.
The 2023 Annual General Shareholders' Meeting
Meeting Procedure

One. Call the Meeting to Order

Two. Chairman Remarks

Three. Management Presentation

Four. Proposals for Recognition

Five. Discussion

Six. Extraordinary Motions

Seven. Adjournment

Orient Semiconductor Electronics, Ltd.
The Agenda of 2023 Annual General Shareholders' Meeting

Time: June 9, 2023 on Friday at 9 a.m.

Venue: No. 600, Jiachang Road, Nanzih District, Kaohsiung City

(Nanzih Export Processing Zone Administration / ZhuangJing Hall)

One. Call the Meeting to Order

Two. Chairman Remarks

Three. Management Presentation

- I. 2022 Business Report.
- II. Audit Committee's Review Report.
- III. 2022 Distribution of Remunerations to Employees and Directors.
- IV. Report on 2022 Earnings Distribution in Cash
- V. Report on amendment to the "Rules of Procedure for the Board Meeting."
- VI. Report on amendment to the "Ethical Corporate Management Best Practice Principles".
- VII. Report on the "Procedures for Ethical Management and Guidelines for Conduct".

Four. Proposals for Recognition

- I. 2022 Business Report and Financial Statements.
- II. Motion of 2022 Earnings Distribution.

Five. Discussion

- I. Amendment to the "Articles of Incorporation".
- II. Issuance of restricted shares for employees.

Six. Extraordinary Motions

Seven. Adjournment

I. Management Presentation

Report No.1

[Proposed by the Board of Director]

Motion: 2022 Business Report, please review.

Description: For the Company's 2022 business report, please refer to Attachment 1 (pages 9-11).

Report No.2

[Proposed by Board of Directors]

Motion: Audit Committee's Review Report, please review.

Description: For Audit Committee's Review Report, please refer to Attachment 2 (page 12).

Report No. 3

[Proposed by the Board of Director]

Motion: 2022 Distribution of Remunerations to Employees and Directors, please review.

Description:

- I. As is required by Article 235-1 of the Company Act and Article 26 of the Company's Articles of Incorporation.
- II. The Company's 2022 profit (meaning current income before tax before deducting employee and director remuneration, net of accumulated loss) amounted to NT\$1,974,991,968, of which 10%~15% and no greater than 1% was distributed as remuneration to employees and directors, respectively, representing NT\$197,500,000 and NT\$19,740,000, respectively - all paid in cash.
- III. The accrued employee remuneration and director remuneration agreed with the recognized amount for 2022.
- IV. Such motion was resolved in favor at the Board meeting dated February 22, 2023.

Report No.4

[Proposed by Board of Directors]

Motion: Report on distribution of cash dividends with earnings of 2022, please review.

Description:

- I. This motion is handled according to Article 26-1 of the Articles of Incorporation, which vests the power in the Board of Directors to distribute the mandatory distribution amount, in whole or in part, in cash, and to report to the General Meeting of the Shareholders.
- II. The earnings proposed to be distributed are the distributable retained earnings of 2022; each common share and each privately-offered Class C preferred share is entitled to NT\$0.85, totaling 625,165,083.
- III. Cash dividend was calculated at the distribution percentage and rounded to the nearest whole number. The sum of the fractional amount less than NT\$1 will be recognized as the Company's other income.
- IV. This motion was resolved in favor by the Board of Directors, which authorized the Chairman to separately set an ex-dividend date. If subsequently the Company's share capital changes, which affects the number of outstanding shares and therefore the dividend payout ratio, the Chairman is also fully authorized to handle such a matter.

Report No.5

[Proposed by Board of Directors]

Motion: Report on revision of some provisions of the "Rules of Procedure for the Board Meeting", please review.

Description:

Amended to align with practical operational needs and the requirements specified on the Financial Supervisory Commission's official letter titled Jin-Guan-Zheng-Fa-Zi No.1110383263 dated August 5, 2022. For the comparison table of clauses of the "Rules of Procedure for Board of Directors' Meetings" before and after amendment, see

Attachment 3 on (pages.13-16).

Report No.6

[Proposed by Board of Directors]

Motion: Report on revision of some provisions of the “Ethical Corporate Management Best Practice Principles”, please review.

Description:

Amended to align with practical operational needs and the TWSE’s requirements; for the comparison table of clauses of the “Ethical Corporate Management Best Practice Principles” before and after amendment, please see Attachment 4 on (pages 17-26).

Report No.7

[Proposed by Board of Directors]

Motion: Report on formulation of the “Procedures for Ethical Management and Guidelines for Conduct”, please review.

Description:

To achieve corporate governance and implement ethical management policy, the Company intends to formulate its “Procedures for Ethical Management and Guidelines for Conduct”; please see Attachment 5 (pages 27-34).

II. Proposals for Recognition

Proposal 1 for Recognition

[Proposed by the Board of Director]

Proposal: 2022 Business report and financial statements; herein reported for recognition.

Description:

- I. The Company's 2022 financial statements were audited by CPA Kuo-Hua Wang and CPA Tsai-Yen Chiang from PwC, and were submitted together with the business report to the Audit Committee, which issued a review report accordingly.
- II. Enclosed are the business report, auditors' reports, and financial statements for recognition.
 1. Business report, [please refer to Attachment 1 (page 9-11)]
 2. Auditor's report of the parent company only financial statements [please refer to Attachment 6 on (page 35-40)]
 3. Parent Company Only Financial Statements [Please refer to Attachments 7 ~ 10 on (page 41-46)]
 4. For independent auditors' report on the consolidated financial statements, please refer to Attachment 11 (pages 47-52)
 5. Consolidated financial statements [Please refer to Attachments 12~15 (page 53-59)]

Resolutions:

Proposal 2 for Recognition

[Proposed by Board of Directors]

Motion: 2022 earnings distribution proposal; herein reported for recognition.

Description:

- I. The Board Meeting held on April 26, 2023 resolved to approve the 2023 earnings distribution proposal and sent it to the Audit Committee for review and completion. Please refer to Attachment 16 on (page 60).
- II. Please approve.

III. Discussion

Discussion 1

[Proposed by Board of Director]

Motion: Amendments to parts of clauses of the “Articles of Incorporation”; hereby submitted for discussion.

Description:

- I. In response to the Company’s operational needs, we intend to amend the current provisions of the “Articles of Incorporation”.
- II. For the comparison table of clauses of the “Articles of Incorporation”, see Attachment 17 on (p.61-62).

Resolutions:

Discussion 2

[Proposed by Board of Director]

Motion: Issuance of restricted shares for employees; hereby proposed for discussion.

Description:

- I. To attract and retain requisite professional talent, achieve the Company’s medium- and long-term goals, and to stimulate employees to give their full potential to achieve the Company’s business goals, the Company has formulated its “Regulations for Issuance of Restricted Shares to Employees for 2023” in accordance with Article 267 of the Company Act and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” (“Offering and Issuance Regulations” hereinafter) promulgated by the Financial Supervisory Commission.
- II. Below is the content of this issue of new restricted employee shares:
 - (I) Total issue amount: Total restricted shares issued will be capped at 5,000,000 shares of common stock, with a par value at NT\$10 per share, representing NT\$50,000 thousand. Each registered issue may be issued in one issue or multiple issues, as the circumstance requires, within two years after receiving the notice from the competent authority indicating that the registered issue has become effective. The Board of Directors shall authorize the Chairman to set an actual issue date and determine relevant matters.
 - (II) Issue terms and conditions:
 1. Scheduled issue price: NT\$0, i.e., gratuitous issue.
 2. Type of shares issued: The Company’s common stock.
 3. Vesting conditions:

Those who meet the criteria on service years and performance set forth in the Company’s “Employee Restricted Stock Awards Rules for 2023” and are considered by the Company to be compliant with the employment contract of Work Rules and free from disciplinary action.
 4. Inheritance in case employees do not meet the vesting conditions: Shares of employees who fail to meet the vesting conditions will be retrieved and called back by the Company without compensation. Any other relevant matter shall be handled by the Company’s offering and issuance regulations.
 - (III) Employee eligibility and entitled quantity of shares:
 1. To protect shareholders’ equity, the Company will cautiously manage this reward plan. Employees eligible for such restricted shares shall be limited to the regular employees who were still in service on the Grant Date and whose performance was rated “Excellent”, excluding employees holding 10% or more of the Company’s issued shares. Eligible employees shall be limited to those who fall into the following category:
 - (1) Personnel highly associated with the development of the Company’s strategy in the future
 - (2) Talent of core technologies

2. The actual subscribable quantity of such restricted shares shall be determined by referencing an employee's job tenure, job rank, job performance, overall contribution, special merits, and potential to contribute in the future, and requirements of the Company's operations and business development strategy, and after being approved by the Chairman and then by the Board of Directors; however, if such an employee is a director or manager, an additional and prior approval of the Remuneration Committee shall be obtained. If such an employee is not a director or manager, an additional and prior approval from the Audit Committee shall be obtained.
 3. The maximum number of new restricted employee shares a single employee is entitled to shall be as specified in the Offering and Issuance Regulations.
- (IV) Causes necessitating this issue of new restricted employee shares:
To attract and retain requisite professional talent; to motivate employees and enhance their cohesion; to jointly create benefits for the Company and shareholders; and to ensure that the interest of the Company is linked to the interest of employees and shareholders.
 - (V) Amount likely to be recognized as expenses:
The company shall measure the fair value of the stock on the Grant Date, and recognize the relevant expenses annually during the vesting periods. A pro forma calculation based on the closing price of the Company's common shares on April 18, 2023, which is NT\$21.5, leads to possible expenses of NT\$107,500 thousand on the grounds that vesting conditions are met for all shares. Possible expenses in 2023 through 2026 are estimated to be NT\$2,986 thousand, NT\$35,833 thousand, NT\$35,833 thousand, and NT\$32,848 thousand, respectively.
 - (VI) The dilution of the Company's earnings per share, and any other impact on shareholders equity:
Company's 555,308,333 outstanding common shares 180,180,000 outstanding Class C preferred shares, the EPS in 2023 through 2026 is estimated to be decreased by NT\$0.004, NT\$0.049, NT\$0.049, and NT\$0.044, respectively. The dilution of earnings per share of the Company is still limited and should pose no significant impact on shareholders' equity.
 - (VII) The rights that are subject to restriction after employees are granted the new restricted employee shares and before vesting conditions are met:
After being granted the restricted shares and before meeting the vesting conditions, an employee may not sell, pledge, transfer, donate, create any right on, such restricted shares, or treat them in any other manner, except in the case of inheritance.
 - (VIII) Other important covenants (including trust of shares):
This installment of new restricted Employee shares issued by the Company shall be safeguarded by an entrusted trust institution assigned by the Company after employees receive the distribution. Employees may not ask the trustee to return new restricted employee shares for any reason or method before the fulfillment of vesting conditions.
- III. The restrictions, and important covenants or matters not provided herein that are associated with this issue of new restricted employee shares shall be handled by applicable laws and regulations and the Company's issuance regulations. For the Company's "Employee Restricted Stock Awards Rules for 2023", see Attachment 18 on (page 63-64).
 - IV. If any condition set for this issue of new restricted employee shares changes subsequently because of an instruction from the competent authority, changes in laws or regulations, or necessity for amendment of revision to cope with situations on the financial market, it is proposed that the Annual Shareholders' Meeting authorize the Board of Directors or a person designated by the Board of Director

to handle the matter with full powers.

Resolutions:

IV. Extraordinary Motions

V. Adjournment

2022 Business Report

2022 Business Report

2022 was an year of a mix of challenges and opportunities under a volatile international context.

The market was significantly impacted by various factors, e.g., the impact of the COVID-19 pandemic, the onset of the conflict between Ukraine and Russia, the effect of hikes of interest rates and inflation, geopolitics, and a correction of the demand for semiconductors and memory devices. This year, the Company continued to focus on core businesses, providing IC packaging and testing services (Semiconductor Group) and professional semiconductor OEM services (Electronics Manufacturing Services Group) to large international clients and niche, high growth, SMEs through process innovation, information technology innovation, and business processes innovation. With a high quality, diversified structure of costs, a scale of production capacity, a speed of delivery and a global logistical support, and other services, the Company helped clients optimize their resources in order to gain a competitive advantage in the areas of research, development, design, marketing, etc., so as to create a win-win situation with clients.

The Semiconductor Group offers two main categories of niche products: logic IC packaging and testing, and flash memory packaging and testing. The Semiconductor Group focuses on all the products related to the packaging and testing of flash memory, and has gained a significant share of the market of flash memory packaging. In 2022 the economic recovery, which was affected by several domestic and international factors, slowed down, resulting in a downward adjustment in the customer orders and underperformed revenue compared with the projection. Aside from aggressively gaining share of market for memory and logic products packaging service, in the future, the Company will also focus on collaboration with strategic shareholders on expanding the market for 5G, IoT, and in-vehicle electronics SiP applications, so as to diversify revenue sources.

The Electronics Manufacturing Services Group uses its comprehensive services including mature technology; experience and process to provide customers advanced PCB and finished goods assembly from smaller batch high-mix to high volume of production to satisfy customers' needs. Factors which appear to be detrimental to the market as a whole can bring chances for expansion. Owing to the continued presence of remote opportunities in the wake of the COVID-19 epidemic, demand for servers in the cloud continues to increase. In addition, Russia-Ukraine war and rising oil prices have increased demand for oil drilling, leading to a rise in the orders for assembly and OEM services for oil exploration products. In the future we will remain committed to being a reliable and long-lasting partner of our clients and partners in the industry, and start deploying cloud-based, 5G, AI, in-vehicle, and industrial-control products to increase the competitive advantages of the products on the market.

Market factors aside, climate issues are becoming increasingly influential in semiconductor supply chain and manufacturing. In order to comply with the requirements of the national risk management system and with the trend towards sustainable development in the global economy, the Company also applies national and foreign standards and practical strategies in order to cushion the impact of regulatory changes, and maintain competitive advantage in the market. The company achieved significant progress on the corporate governance evaluation rating for 2021, and will continue improving in order to meet all stakeholders' expectations.

Operating Results

Unit: NTD thousand

Year	2022	2021	Difference	%
Operating revenue	15,531,669	15,948,138	(416,469)	-2.61%
Operating margin	2,522,924	2,936,744	(413,820)	-14.09%
Operating income (loss)	1,433,300	1,876,281	(442,981)	-23.61%
Non-operating income and expenses	334,988	62,895	272,093	432.61%
Net income (loss) before tax	1,768,288	1,939,176	(170,888)	-8.81%
Income tax benefits (expenses)	(319,635)	(408,595)	88,960	-21.77%
Net income (loss)	1,448,653	1,530,581	(81,928)	-5.35%

The Company's 2022 operating gross profit, net operating income, non-operating income and expenses, and net income are explained as follows:

- I. Operating margin, net operating income (loss):
In 2022, impacted by international political and economic situations such as the Russia-Ukraine war, global inflation, strong interest rate hikes by the US's Federal Reserves, the global economy slowed down, and so did the demand for electronic consumer products. China's economic performance plummeted, mainly due to its zero-COVID policy, driving down customer orders and reducing the operating revenue in this period

compared with 2021. In addition, the reduction in orders led to a decreased utilization rate, and labor costs and manufacturing overheads could not effectively be amortized, which resulted in the reduction of gross operating profits and net income for the current period.

In summary, in 2022, operating income decreased by 2.61%; operating revenue decreased by 0.02%; gross operating profit decreased by 14.09%; and net operating profit decreased by 23.61%.

II. Non-operating income and (expenses):

(1) The Company continues to improve its financial structure. Although the central bank began increasing interest rate in the second half of 2022, the Company still reduced its financial costs by 21.86% from 2021 and increased interest income by 189.79% from 2021.

(2) The USD exchange rate was depreciating in 2021 but appreciating in 2022, with the appreciation amplitude in 2022 surpassing the depreciation one in 2021, causing the net foreign exchange gain to increase by 303.19%.

(3) In 2022, the gain on disposal of asset and the recognition of dividend income from financial assets measured at fair value through other comprehensive income increased, resulting in an increase of 546.08% in other income and interests;

In summary, operating revenue increased by 432.61% from last year's level.

III. In the future, the Company will strategically streamline its product portfolio, pragmatically promote automation and digitalization, actively expand the revenue base, increase utilization rate, and commit to increasing revenue and reducing expenditure.

Financial Income/Expenses and Profitability Analysis

Analysis item \ Fiscal Year		Financial analysis for the most recent two years	
		2022	2021
Financial structure	Debt-asset ratio%	42.46	47.28
	Ratio of Long-term funds to Property, Plant, and Equipment (%)	234.88	209.54
Profitability	Return on assets%	8.63	9.88
	Return on equity (%)	15.47	18.47
	Profit margin before tax%	9.32	9.60
	Earnings per share(NTD)	2.02	2.24

R&D status

The R&D expenditure of 2022 was NT\$340,002 thousand.

Semiconductor Group:

Aside from continuously verifying the 3D NAND flash processes of different brands to put them into mass production and continuously verifying and developing products relating to the flip chip (FC) process, we will also introduce FC products and fan-out packaging, and will develop the third-generation semiconductor processes and products to seize the opportunities associated with electric cars. The Company will also tailor products to customers' demand for products with high heat dissipation rate. To fulfill the ideal of environmental protection, energy conservation, and carbon reduction, the Company continuously attends to any addition or amendment of laws at home and abroad and assess and verify new eco-friendly and low-carbon materials to meet regulations and customers' requirements.

Electronics Manufacturing Services Group:

In recent years the company's technology has reached a technological level that has exceeded the highest standards of quality of class 3 in the industry, thanks to the transfer of advanced technology from customers. The technology is used in the exploration of oil, for aerospace and satellite applications, among other uses. Starting from 2020,, we cooperated with the government policies and smoothly completed the satellite launch. We offer our extended services to countries around the world to meet customer requirements. The Company has successively passed certification and accreditation, enabling itself to provide advanced technology to the customer base in the niche market.

Summary of the Business Plan for the Current Fiscal Year

The Company's business strategy will be to continue the development of flash memory market and select advantageous domestic/foreign proprietors for strategic cooperation. In addition to constant research and development for 5G application, packaging of Internet of Things (IoT), AI products, and automotive electronics-related products, the Company will conduct the assessment and development of the product lines of flip chips for high-end wearable products. The Company will continue to attend to any change in environmental protection laws of domestic and foreign governments, so as to expand profit base and reduce the impact of regulatory changes. Simultaneously, the Company will foster talent and combine internal and external resources to preserve future competitiveness.

Looking into 2023, not only will we strengthen the development of CSP/ BGA market and improve the

production efficiency for our semiconductor packaging and electronic components assembly services, we will further enhance the development of memory market (especially LPDDR and DDR). the Company will also expand the development of IoT and automotive electronics-related markets to maintain its combativeness and boost its revenue sources.

Consequently, the Semiconductor Business Unit will be devoted to the following operating direction to boost the revenue:

- I. Reduce the material costs constantly.
- II. Continue the development of advanced packaging processes and refinement of process capabilities to meet future customer product requirements.
- III. Continue the further development of memory market and assist customers in the development of new customized products.
- IV. Develop third-generation semiconductor processes and products.
- V. Adopt intelligent production management system.
- VI. Develop high end SiP manufacturing process and market.
- VII. Evaluate and verify low-carbon materials..
- VIII. Aggressively tap into the market for automotive electronics.
- IX. Develop customers in the server semiconductor business.

Both SSD and products with quality requirement higher than IPC-610 class 3 in EMS Group have been put into mass production. Below is a summary of the major plans of the Electronics Manufacturing Services Group in 2023:

- I. The ongoing optimization of process in SSD production base: build an exclusive production area that serves the world's top customers with the adjustment plan of the global productive capacity for the main customers to respond the demand of the future productive capacity.
- II. With the growing demand for server products, the setting of production line has been adjusted accordingly in order to increase the productive capacity to handle customers' demand. In addition to the production of existing products, with the introduction of next-generation products of INTEL and AMD, we will put new products into mass production to meet customers' demand. .
- III. In-vehicle products were IATF 16949-certified and put into mass production.
- IV. Obtainment of AS9100 aerospace certification should facilitate grasp of new opportunities in the aerospace industry.

Company's Future Development Strategy

In addition to satisfying the quality, production capacity and cost requested by the packaging market of flash memory via current advantages in the future, the Semiconductor Group will also use relevant process technology developed together with strategic partners to expand the markets for the 5G, IoT, and AI applications. With climate change issues taking root, countries around the world successively set a date for banning sale of gas-powered vehicles, so the electric car segment is expected to continue to grow in the future. The Company will furthermore collaborate with clients to devise third-generation semiconductor-based procedures and goods. As the demand for cloud applications soars, the Semiconductor Group will leverage the Electronics Manufacturing Services Group's years of experience in the server industry to win customers therein.

Based on the production methods such as small quantity with variety and mass production, the Electronics Manufacturing Services Group planned out the production lines and management method carefully, in order to reach the goal of reducing costs and increasing efficiency, ensuring the punctuality and delivery of the development of new products. At the same time, the Company has provided customers with professional knowledge regarding supply chain and essential resources to make them have more competitiveness in the market, so as to create a win-win situation.

The Company will collaborate with the major memory industry chain, distributors, and suppliers all over the world to continue developing the manufacturing services of all the flash memory applications via the current advantages in the manufacturing platform. Meanwhile, the Company continues to invest in CSP BGA market development, improve production efficiency, and expand the market for Internet of Things and automotive electronics-related applications. In addition, the Company will strategically streamline its product portfolio, pragmatically promote automation and digitalization, actively expand the revenue base, increase utilization rate, and commit to increasing revenue and reducing expenditure.

Pursuit of a profit growth aside, the Company also pays close attention to the global trends and the changes in national and foreign standards, continuously develops talents, and incorporates both external and internal resources, in order to achieve a sustainable operations. 2023 will be a year of economic and environmental uncertainties, bringing more challenges alongside opportunities. We are deeply grateful to all of our shareholders for their unwavering trust in our company and look ahead to furthering our collective success in the future.

Chairman: Yueh-Ming Tung President: Jia-Rong Tu

Head of Accounting: Shu-Yung Chu

Audit Committee's Review Report

The board of directors has prepared the 2022 parent company only and consolidated financial statements, which have been audited by Kuo-Hua Wang and Tsai-Yen Chiang, CPAs at PwC Taiwan, by whom an audit report has been issued. The financial statements, business report, and the earnings appropriation proposal have been reviewed by the Audit Committee without inappropriate disclosures with respect to the above identified, and the Audit Committee hereby issues this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

The 2023 Orient Semiconductor Electronics's Annual General Shareholders' Meeting

Orient Semiconductor Electronics, Ltd.

Convener of the Audit Committee: Chia-Hua Hsu

April 26, 2023

Orient Semiconductor Electronics, Ltd.

“Rules of Procedure for Board of Directors Meetings”

Comparison Table of Amendment Clauses

Clause No.	Content		Amendment basis and reasons
	After Amendment	Before Amendment	
Article 3	<p>(Convening of the board of directors' meeting and meeting notice) The board of directors shall meet at least quarterly. Which shall be specified in the Meeting Rules. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. A meeting shall be convened at any time in case of emergency. The notice stated in the preceding paragraph may be effective by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	<p>(Convening of the board of directors' meeting and meeting notice) The board of directors shall meet at least quarterly. Which shall be specified in the Meeting Rules. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. A meeting shall be convened at any time in case of emergency. The notice stated in the preceding paragraph may be effective by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	Amended to meet practical operating requirements, and to comply with the regulations of the Financial Supervisory Commission.
Article 7	<p>(Chair and acting chair of a board meeting) Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. <u>Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</u> When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is</p>	<p>(Chair and acting chair of a board meeting) Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson,</p>	Amended to meet practical operating requirements, and to comply with the regulations of the Financial Supervisory Commission.

Clause No.	Content		Amendment basis and reasons
	After Amendment	Before Amendment	
	also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.	the managing directors or directors shall select one person from among themselves to serve as chair.	
Article 11	<p>(Discussion of proposals) A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p>	<p>(Discussion of proposals) A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p>	Amended to meet practical operating requirements, and to comply with the regulations of the Financial Supervisory Commission.
Article 12	<p>(Matters requiring discussion at a board meeting) The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>I. The Company's business plan. II. Annual and semi-annual financial reports. With the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA). III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p>	<p>(Matters requiring discussion at a board meeting) The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>I. The Company's business plan. II. Annual and semi-annual financial reports. With the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA). III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p>	Amended to meet practical operating requirements, and to comply with the regulations of the Financial Supervisory Commission.

Clause No.	Content		Amendment basis and reasons
	After Amendment	Before Amendment	
	<p>V. The offering, issuance, or private placement of equity-type securities.</p> <p><u>VI. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></p> <p>VII. The appointment or discharge of a financial, accounting, or internal audit officer</p> <p>VIII. A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>IX.</u> Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority. The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph. At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be</p>	<p>V. The offering, issuance, or private placement of equity-type securities.</p> <p>VI. The appointment or discharge of a financial, accounting, or internal audit officer</p> <p>VII. A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>VIII. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority. The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph. At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting.</p>	

Clause No.	Content		Amendment basis and reasons
	After Amendment	Before Amendment	
	<p>approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	
Article 15	<p>(Recusal system for directors)</p> <p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. <u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting, such director shall be deemed to have a personal interest in the matter.</u></p> <p>The provisions of Article 180, paragraph 32 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 34 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraph from exercising voting rights</p>	<p>(Recusal system for directors)</p> <p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p>The provisions of Article 180, paragraph 3 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraph from exercising voting rights</p>	Amended to meet practical operating requirements, and to comply with the regulations of the Financial Supervisory Commission.

Orient Semiconductor Electronics, Ltd.
“Ethical Corporate Management Best Practice Principles”
Comparison Table of Amendment Clauses

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
Article 2	<p>(Prohibition of any unethical conduct) When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits. Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	<p>(Prohibition of any unethical conduct) When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits. Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	To meet practical operational needs and the TWSE's requirements.
Article 5	<p>(Policy) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith <u>and obtain approval from the board of directors,</u> and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>(Policy) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	To meet practical operational needs and the TWSE's requirements.
Article 6	<p>(Prevention programs) Aside from disseminate the business philosophy and policy in the preceding article in a timely manner, where necessary, <u>the Company shall in its own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"),</u> including operational procedures, guidelines, and training. When establishing the prevention programs in the preceding paragraph, the Company shall comply with relevant laws and regulations of the territory where it and its business group are operating.</p>	<p>(Prevention programs) Aside from disseminate the business philosophy and policy in the preceding article in a timely manner, where necessary, the Company shall formulate prevention programs ("prevention programs") including operational procedures, guidelines, and training. When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating. The Company is also advised to negotiate with staff, important trading counterparties, or other stakeholders.</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<u>In the course of formulating prevention programs,</u> the Company should engage employees, and important business counterparties or other stakeholders.		
Article 7	<p>(Scope of prevention programs) When the Company establishes preventive measures, The Company shall <u>establish a risk assessment mechanism against unethical conduct.</u> Analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and <u>enhance relevant prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</u></p> <p>It is advisable for the preceding paragraph <u>to refer to prevailing domestic and foreign standards or guidelines</u> in establishing the prevention programs, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> I. Offering and acceptance of bribes. II. Illegal political donations. III. Improper charitable donations or sponsorship. IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. V. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. VI. Engaging in unfair competitive practices. VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services 	<p>(Scope of prevention programs) When the Company establishes preventive measures, the operating scope of operating activities containing higher risk of unethical behavior shall be analyzed and evaluated and related preventive measures shall be strengthened.</p> <p>The preventive measures of the preceding paragraph shall contain at least the following:</p> <ol style="list-style-type: none"> I. Offering and acceptance of bribes. II. Illegal political donations. III. Improper charitable donations or sponsorship. IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. V. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. VI. Engaging in unfair competitive practices. VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services 	To meet practical operational needs and the TWSE's requirements.
Chapter 8	<p>(Commitment and execution) The Company shall request their <u>directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u></p> <p>The Company shall clearly specify in <u>its internal rules</u> and external documents and on the company website the ethical corporate management policies and the</p>	<p>(Commitment and execution) The Company shall clearly specify in its rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p>commitment by the board of directors and <u>executives</u> on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</p>		
Article 10	<p>(Prohibition on Offering and acceptance of bribes) When conducting business, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	<p>(Prohibition on Offering and acceptance of bribes) When conducting business, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	To meet practical operational needs and the TWSE's requirements.
Article 11	<p>(Prohibition of provision of Illegal political donations) When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>(Prohibition of provision of Illegal political donations) When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	To meet practical operational needs and the TWSE's requirements.
Article 12	<p>(Prohibition of Improper charitable donations or sponsorship) When making or offering donations and sponsorship, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p>	<p>(Prohibition of Improper charitable donations or sponsorship) When making or offering donations and sponsorship, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p>	To meet practical operational needs and the TWSE's requirements.
Article 13	<p>(Prohibition of unreasonable presents, hospitality or other improper benefits) The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	<p>(Prohibition of unreasonable presents, hospitality or other improper benefits) The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
Article 14	<p>(Prohibition of infringement of intellectual property rights) The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	<p>(Prohibition of infringement of intellectual property rights) The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	To meet practical operational needs and the TWSE's requirements.
Article 16	<p>(Prevention of products or services damaging stakeholders) In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</p>	<p>(Prevention of products or services damaging stakeholders) In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</p>	To meet practical operational needs and the TWSE's requirements.
Article 17	<p>(Organization and responsibility) The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management,</p>	<p>(Organization and responsibility) The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management,</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p>the Company may establish a dedicated unit and <u>avail itself of adequate resources and staff</u>, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. <u>If material violation is found</u>, The dedicated unit shall be in charge of the following matters, <u>and shall report to the board of directors on a regular basis (at least once a year).</u>:-</p> <ol style="list-style-type: none"> I. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. II. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. III. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct . IV. Promoting and coordinating awareness and educational activities with respect to ethics policy. V. Developing a whistle-blowing system and ensuring its operating effectiveness. VI. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 	<p>the Company shall appoint a dedicated unit that specializes in the establishment, supervision, and execution of the Business Integrity Code of Conduct and Prevention. If material violation occurs, the board of directors shall be notified.</p>	

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
Article 18	<p>(Compliance with laws and regulations when conducting business) The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>(Compliance with laws and regulations when conducting business) The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	To meet practical operational needs and the TWSE's requirements.
Article 19	<p>Article 19 (Recusal) The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings .</p> <p>The Company's directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other persons.</p>	<p>Article 19 (Recusal) The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings .</p> <p>The Company's directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other persons.</p>	To meet practical operational needs and the TWSE's requirements.
Article 20	<p>(Accounting and internal control) The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to</p>	<p>(Accounting and internal control) The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p>ensure that the design and enforcement of the systems are showing results.</p> <p>The internal auditor of the Company shall, periodically based on the results of assessment of the risk of involvement in unethical conduct, <u>devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs in the preceding paragraph.</u></p> <p><u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit</u> and put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>ensure that the design and enforcement of the systems are showing results.</p> <p>The Company's internal auditors shall audit the compliance of the system of the preceding paragraph on a regular basis and compile an audit report to submit to the board of directors.</p>	
Article 21	<p>(Procedures Guidelines for Conduct)</p> <p>Where the Company establishes preventive measures in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>I. Standards for determining whether improper benefits have been offered or accepted.</p> <p>II. Procedures for offering legitimate political donations.</p> <p>III. Procedures and the standard rates for offering charitable donations or sponsorship.</p> <p>IV. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</p> <p>V. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>VI. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>VII. Handling procedures for violations of these Principles.</p> <p>VIII. Disciplinary measures on offenders.</p>	<p>(Procedures Guidelines for Conduct)</p> <p>Where the Company establishes preventive measures in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>I. Standards for determining whether improper benefits have been offered or accepted.</p> <p>II. Procedures for offering legitimate political donations.</p> <p>III. Procedures and the standard rates for offering charitable donations or sponsorship.</p> <p>IV. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</p> <p>V. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>VI. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>VII. Handling procedures for violations of these Principles.</p> <p>VIII. Disciplinary measures on offenders.</p>	To meet practical operational needs and the TWSE's requirements.
Article 22	<p>Article 22 (Training and appraisals)</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall organize training</p>	<p>Article 22 (Training and appraisals)</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall organize training</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p>and awareness programs in a timely manner regularly for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>and awareness programs in a timely manner for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	
Article 23	<p>(Whistleblowing and disciplinary systems) The Company has established whistle-blowing mailboxes (email box: 580@ose.com.tw and csr@ose.com.tw). For those who make a report on violation of unethical conduct, the identity of the whistle-blower and the content of the matter will be kept confidential by the Company. The Company gives penalty to the offender in accordance with the Work Rules, Employee Reward and Penalty Operation Management Procedures, and related laws and regulations. The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>I. <u>An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</u></p> <p>II. <u>Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u></p> <p>III. <u>Follow-up measures to be adopted depending on the severity of the circumstances</u></p>	<p>(Whistleblowing and disciplinary systems) The Company has established whistle-blowing mailboxes (email box: 580@ose.com.tw and csr@ose.com.tw). For those who make a report on violation of unethical conduct, the identity of the whistle-blower and the content of the matter will be kept confidential by the Company. The Company gives penalty to the offender in accordance with the Work Rules, Employee Reward and Penalty Operation Management Procedures, and related laws and regulations.</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p>after investigations of cases <u>reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p>IV. <u>Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u></p> <p>V. <u>Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</u></p> <p>VI. <u>Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u></p> <p>VII. <u>Whistle-blowing incentive measures.</u></p> <p><u>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or the Audit Committee in written form.</u></p>		
Article 24	<p><u>(Disciplinary and complaint filing systems)</u></p> <p><u>The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</u></p>		To meet practical operational needs and the TWSE's requirements.
Article 24 5	<p><u>(Information disclosure)</u></p> <p><u>The Company shall may collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for-implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Company website, annual reports, and prospectuses, and shall disclose its ethical corporate management best practice principles on the Market Observation Post System.</u></p>	<p><u>(Information disclosure)</u></p> <p>The Company shall disclose the measures taken for implementing ethical corporate management, the status of implementation on the Company website, annual reports, and prospectuses, and shall disclose its ethical corporate management best practice principles on the Market Observation Post System.</p>	To meet practical operational needs and the TWSE's requirements.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
Article 256	<p>(Reviews and improvements of ethical corporate management policies and measures) The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	<p>(Reviews and improvements of ethical corporate management policies and measures) The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	To meet practical operational needs and the TWSE's requirements.
Article 267	<p>(Implementation) The Ethical Corporate Management Best Practice Principles of the Company shall be <u>approved by the Audit Committee</u> and implemented after the Board of Directors grants the approval <u>grants the approval through a resolution</u>, and shall be submitted at the shareholders' meeting. The same procedure shall be followed when the principles have been amended. When the Company submits its Ethical Corporate Management Best Practice Principles to the Board of Directors for <u>discussion pursuant to the preceding paragraph</u>, the Board of Directors shall <u>take into full consideration each independent director's opinions</u>. Any <u>objections or reservations of any independent director</u> shall be recorded <u>in the minutes of the Board of Directors meeting</u>. An independent director that cannot attend the board <u>meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting</u>. The Company has set up its Audit Committee, to which the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-listed Companies applying to supervisors shall apply.</p>	<p>(Implementation) The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be submitted at the shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p>	To meet practical operational needs and the TWSE's requirements.

Orient Semiconductor Electronics, Ltd. Procedures for Ethical Management and Guidelines for Conduct

Establishment on April 26, 2023

Article 1 (Purpose of establishment and scope of application)

- I. The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these “Procedures for Ethical Management and Guidelines for Conduct” are adopted pursuant to the provisions of the Company’s “Ethical Corporate Management Best Practice Principles” and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties, with a view to providing all personnel of the Company with clear directions for the performance of their duties.
- II. The scope of application of these Procedures and Guidelines includes the subsidiaries in which the Company holds 50% or more of stake (collectively referred to as the “Company” hereinafter).

Article 2 (Applicable subjects)

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations (“Substantive Controllers” hereinafter).

Article 3 (Unethical conduct)

- I. For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits, or has been involved in destruction, tampering, forgery of documents, investigation, litigation, or legal proceedings.
- II. Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 4 (Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name, excluding benefits considered within the norm of social etiquette, occasional, and free from impacting specific right or obligation.

Article 5 (Responsible unit and duties)

The Company has set up a unit solely responsible for ethical corporate management (hereinafter, "responsible unit") and provided it with sufficient resources and competent personnel to be in charge of the amendment, implementation, and interpretation, with respect to these Procedures and Guidelines and archiving of documents. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

- (I) Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.

- (II) Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis.
- (III) Planning the internal organization, structure, and allocation of responsibilities.
- (IV) Promoting and coordinating awareness and educational activities with respect to ethics policy.
- (V) Developing a whistle-blowing system and ensuring its operating effectiveness.
- (VI) Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating.
- (VII) Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

Article 6 (Prohibition against providing or accepting improper benefits)

- I. Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Company's "Ethical Corporate Management Best Practice Principles" and these Procedures and Guidelines, and the relevant procedures shall have been carried out:
 - (I) Gift: Provision of gift is acceptable if it is to meet business needs in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination. Gift or present shall bear a company logo, be worth no greater than NT\$2,000, be provided no less than once in a quarter, and be recorded in the "Gift Provision Record Form".
 - (II) Acceptance of gift: Acceptance of gift is acceptable if it is to meet official needs in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination, and is occasional and does not bear on specific right or obligation. Gift accepted shall be recorded in "Gift Acceptance Record Form", shall be worth no greater than NT\$2,000, and may occur no more than once in a quarter. If the said amount or frequency has been exceeded, Article 7 shall apply.
 - (III) The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
 - (IV) Invitations to guests or attendance at commercial activities or factory visits in relation to business needs.
 - (V) Attendance at folk festivals that are open to and invite the attendance of the general public.
 - (VI) Rewards, emergency assistance, condolence payments, or honorariums from the management.
 - (VII) Other conduct that complies with the rules of the Company.
- II. When performing duties, the Company's personnel shall comply with the Company's "Code of Ethical Conduct", may not engage in transactions with agents, suppliers, clients, and other business counterparties that constitute a conflict of interests, and are forbidden from conducting the following behavior:
 - (I) Giving cash or goods in the form of give-outs to business counterparties and relevant personnel.
 - (II) Giving goods in the form of donation in exchange for opportunities for transaction or services, preferential conditions, or other economic benefits.
 - (III) Providing or accepting commercial sponsorships or other activities in violation of the fair competition principle.
 - (IV) Providing or accepting gifts or hospitality, e.g., any membership card, consumer card (coupons), shopping card (coupon), or other securities.
 - (V) Providing or using housing unit or cars.

- (VI) Providing or accepting performance shares or bonus.
- (VII) Giving or accepting goods or other benefits through gambling, fraud, blackmailing, or embezzlement of company funds, or in the name of promotional fees, marketing fees, advertising fees, training fees, advisory service fees, consultation fees, or technical service fees.
- (VIII) Other conduct in violation of law.

Article 7 (Procedures for handling the acceptance of improper benefits)

- I. Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:
 - (I) If there is no relationship of interest between the party providing or promising the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 5 business days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
 - (II) If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 5 business days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.
- II. "A relationship of interest between the party providing or promising the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:
 - (I) When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
 - (II) When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
 - (III) Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.
- III. The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the Chairman.

Article 8 (Prohibition of and handling procedure for facilitating payments)

- I. The Company shall neither provide nor promise any facilitating payment.
- II. If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.
- III. Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 (Procedures for handling political contributions)

Political contributions by the Company shall be made in accordance with the following provisions, reported to the Chairman for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$1 million or more, it shall be made only after being reported to and approved by the board of directors:

- (I) It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the

recipient is located, including the maximum amount and the form in which a contribution may be made.

- (II) A written record of the decision-making process shall be kept.
- (III) Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.

Article 10 (Procedures for handling charitable donations or sponsorships)

Charitable contributions by the Company shall be made in accordance with the following provisions, reported to the Chairman for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$1 million or more, it shall be made only after being reported to and approved by the board of directors:

- (I) It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the charitable foundation operates, and with the laws and regulations of the Republic of China.
- (II) A written record of the decision-making process shall be kept.
- (III) A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
- (IV) The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
- (V) After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 (Recusal)

- I. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.
- II. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.
- III. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits (including, but not limited to, holding a concurrent position at another company while engaging in transactions with the company by themselves or on behalf of their relative, misappropriating the company's assets or information in exchange for personal gains, exploiting position held at the Company to gain secrets, using company assets for personal gains, or competing with the company), the personnel shall report the relevant matters to both his or her immediate supervisor, and shall, prior to the transaction taking place, obtain an approval from an officer at the rank of division chief or above of the unit concerned, for their personal interest conflicting that of the Company, and shall then reported to the HR unit.
- IV. No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 (Special unit in charge of confidentiality regime and its responsibilities)

- I. The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.
- II. All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 13 (Prohibition against unfair competition)

The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 (Prevention of damage caused by products and services to stakeholders)

- I. The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.
- II. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall immediately assess whether to recall those products or suspend the services, and shall verify the facts and present a review and improvement plan.
- III. The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Chairman.

Article 15 (Prohibition against insider trading and non-disclosure agreement)

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 (Compliance and announcement of policy of ethical management)

- I. The Company's directors and senior management shall abide by the ethical corporate management policy.
- II. The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 (Ethical management evaluation prior to development of commercial relationships)

- I. Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.
- II. When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:
 - (I) The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
 - (II) Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
 - (III) Whether enterprise's business operations are located in a country with a high risk of corruption.
 - (IV) Whether the business operated by the enterprise is in an industry with a high risk of bribery.
 - (V) The long-term business condition and degree of goodwill of the enterprise.
 - (VI) Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 (Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 (Avoidance of commercial dealings with unethical operators)

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with an agent, supplier, customer, or counterparty in commercial dealings, the Company shall gain a thorough knowledge of the status of their ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

- (I) A party shall warrant that it will not incentivize the employee, agent, or representative of the other party into buying goods, signing a contract, or engaging in any other activity harmful to a third party, by means of direct or indirect promise, bribery, offering of commissions, sales commissions, agency fees, kickbacks, gifts, or other improper benefits.
- (II) When a party to the contract becomes aware that the other party engages in unethical conduct, the party may promptly terminate the contract at its discretion; any resulting damages to the party shall be compensated for by the other party involving in unethical conduct.
- (III) Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.
- (IV) If the counterparty in a commercial dealing is a supplier, the supplier shall be required to sign the Company's "Suppliers' Undertaking of Integrity".

Article 21 (Handling of unethical conduct by personnel of the Company)

- I. The Company encourages both insiders and outsiders to whistle-blow on unethical or improper conduct.
- II. The Company internally establishes and publicly announces on its website and the intranet an independent mailbox or hotline (including but not limited to the whistle-blowing hotline) for insiders and outsiders of the Company to submit reports.
- III. The Company shall formulate and announce its systems of disclination for, and complaint filing of, any violation of ethical management; the systems shall at least include the following:
 - (I) Standards for determining whether improper benefits have been offered or accepted.
 - (II) Provision of political contribution under the Company's name to any political party, political group, or person seeking to be a political candidate shall be by the Political Donations Act and the Company's internal operating procedures. Provision of political contribution under an individual's name shall comply with the Political Donations Act and the Company's internal operating procedures, and shall factor in whether such provision is likely to be considered an action to seek commercial interests or transaction advantages. If so, such provision shall be banned outright.
 - (III) Procedures and the standard rates for offering charitable donations or sponsorship.
 - (IV) Rules for avoiding work-related conflicts of interests.
 - (V) Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
 - (VI) Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
 - (VII) Handling procedures for violations of these Principles.
 - (VIII) Disciplinary measures on offenders.

Article 22 (Actions upon event of unethical conduct by others towards the Company)

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23 (Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

- I. The responsible unit of the Company shall organize one awareness session each year and arrange for the executives to communicate the importance of ethics to its directors, employees, and mandataries.
- II. The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.
- III. If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the Work Rules of the Company.
- IV. The Company provides a communication channel and complaint filing channel for its employees, and keeps confidential the identity of a whistle-blower and any identifiable information.

Article 24 (Report to the Board of Directors)

When the Company submits these Procedures and Guidelines to the Board of Directors for discussion, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board

meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 25 (Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after an approval from the Audit Committee, adoption by resolution of the board of directors, and a report at the Shareholders' Meeting.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Orient Semiconductor Electronics, Limited

Opinion

We have audited the accompanying balance sheets of Orient Semiconductor Electronics, Ltd. (the “Company”) as at December 31, 2022 and 2021, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, 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 Company's 2022 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Existence of sales revenue recognition of top 10 customers

Description

Please refer to Note 4(31) for accounting policies on revenue recognition and Note 6(23) for details of operating revenue account.

The operating revenue of the Company mainly arises from customer contract income. The Company is primarily engaged in packaging and testing and electronic manufacturing service. Operating revenue is a main index which is used in assessment of the management's operating performance and is a concern to users of the report. Because the sales revenue of top 10 customers represents a higher proportion of the whole operating revenue, we considered the existence of sales revenue recognition of top 10 customers as a key audit matter in the current year.

How our audit addressed the matter

Our audit procedures performed included the following:

1. Understood, assessed and tested the design and execution of internal control procedures of top 10 customers' sales revenue recognition.
2. Obtained the details of top 10 customers' details of sales revenue and sampled customers' orders, delivery bills, invoices and collection records.
3. Examined the content and related evidences of sales returns and discounts to top 10 customers after the balance sheet date.
4. Sampled and sent confirmations to inquire on the balance of accounts receivable. Performed reconciliation and alternative audit procedures on the confirmation replies.

Realisability of deferred tax assets

Description

Please refer to Note 4(29) of parent company only financial statements for details of accounting policies on the recognition of deferred income tax assets. As of December 31, 2022, the amount of the Company's deferred income tax assets was NTD 971,147 thousand, please refer to Note 6(30) of parent company only financial statements for details.

Deferred income tax assets can only be recognised in the scope of being used in possibly offsetting the taxable income in the future. The forecasted income statements which was used in the assessment of realisability of deferred income tax assets in the future and potential taxable income involved subjective judgment of management. We considered that the aforementioned judgment involved the forecast of subsequent years, and the assessment result is material to taxable income. Thus, we considered the realisability of deferred income tax assets as a key audit matter.

How our audit addressed the matter

Our audit procedures performed on the realisability of deferred income tax assets included the following:

1. Obtained future operating plan and forecasted income statements which were approved by management.
2. Examined the estimates in the forecasted income statements and compared that with historical result, and assessed the reasonableness of related assumptions which were adopted.
3. Compared taxable income in the future years with taxable loss in the past years and assessed the realisability of deferred income tax assets.

Other matter-Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, in so far as it relates to the amounts included in respect of these investees is based solely on the reports of the other auditors. The credit balances of these investments accounted for using the equity method amounted to NTD 1,843 thousand and NTD 0 thousand, constituting 0.01% and 0% of the total assets, and the credit balances of these investments accounted for using the equity method amounted to NTD 13,490 thousand and NTD 46,536 thousand, constituting 0.19% and 0.59% of the total liabilities as at December 31, 2022 and 2021, respectively, and the comprehensive income of the investees amounted to NTD 41,929 thousand and NTD 2,158 thousand, constituting 2.79% and 0.16% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current

period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wang, Kuo-Hua

Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan

February 22, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 3,314,126	20	\$ 2,498,233	15
1136	Current financial assets at amortised cost	6(4) and 8	-	-	11,465	-
1140	Current contract assets	6(23)	272,248	2	296,090	2
1150	Notes receivable, net	6(5)	155	-	146	-
1170	Accounts receivable, net	6(5)	2,967,570	18	2,847,170	17
1180	Accounts receivable due from related parties, net	6(5) and 7	38,925	-	473,491	3
1200	Other receivables		38,975	-	55,489	-
1210	Other receivables due from related parties	7	1,865	-	15,492	-
130X	Current inventories	6(6)	1,559,517	9	1,655,024	10
1410	Prepayments		99,910	-	88,878	-
1460	Non-current assets or disposal groups classified as held for sale, net	6(12)	-	-	136,137	1
1479	Other current assets, others		20,969	-	13,160	-
11XX	Current assets		<u>8,314,260</u>	<u>49</u>	<u>8,090,775</u>	<u>48</u>
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	-	-	1,261	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	10,613	-	39,879	-
1550	Investments accounted for using equity method	6(7)	2,138,629	13	1,136,804	7
1600	Property, plant and equipment	6(8) and 8	5,173,917	31	5,349,052	32
1755	Right-of-use assets	6(9)	166,755	1	193,395	1
1780	Intangible assets	6(11) and 7	47,163	-	32,421	-
1840	Deferred tax assets	6(30)	971,147	6	1,203,930	7
1915	Prepayments for business facilities		20,581	-	167,490	1
1920	Guarantee deposits paid	8	16,291	-	133,479	1
1940	Long-term notes and accounts receivable due from related parties	7	-	-	518,507	3
1990	Other non-current assets, others		1,501	-	2,119	-
15XX	Non-current assets		<u>8,546,597</u>	<u>51</u>	<u>8,778,337</u>	<u>52</u>
1XXX	Current tax assets		<u>\$ 16,860,857</u>	<u>100</u>	<u>\$ 16,869,112</u>	<u>100</u>

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(13) and 8	\$ -	-	\$ 290,000	2
2110	Short-term notes and bills payable	6(14)	-	-	49,986	-
2130	Current contract liabilities	6(23)	77,872	1	88,151	1
2150	Notes payable		-	-	59,087	-
2170	Accounts payable		2,920,733	17	3,084,424	18
2180	Accounts payable to related parties	7	855	-	1,039	-
2200	Other payables	6(15)	1,257,121	7	1,585,528	10
2220	Other payables to related parties	7	20,000	-	20,602	-
2230	Current tax liabilities		113,131	1	-	-
2250	Current provisions		14,439	-	10,356	-
2280	Current lease liabilities		27,958	-	28,240	-
2320	Long-term liabilities, current portion	6(16) and 8	-	-	60,700	-
2365	Current refund liabilities		21,068	-	24,820	-
2399	Other current liabilities, others	7	131,823	1	244,009	2
21XX	Current liabilities		4,585,000	27	5,546,942	33
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(16) and 8	1,148,962	7	587,694	4
2580	Non-current lease liabilities		133,352	1	166,602	1
2635	Non-current preference share liabilities	6(18)	1,003,851	6	1,005,149	6
2640	Net defined benefit liability, non-current	6(17)	185,658	1	487,200	3
2645	Guarantee deposits received		39,768	-	56,924	-
2650	Credit balance of investments accounted for using equity method	6(7)	13,490	-	46,536	-
25XX	Non-current liabilities		2,525,081	15	2,350,105	14
2XXX	Liabilities		7,110,081	42	7,897,047	47
Equity						
	Share capital	6(19)(20)				
3110	Common stock		5,553,299	33	5,554,319	33
3120	Preferred stock		1,801,800	11	1,801,800	11
	Capital surplus	6(21)				
3200	Capital surplus		238,171	1	234,897	1
	Retained earnings	6(22)				
3310	Legal reserve		192,241	1	53,719	-
3320	Special reserve		157,357	1	106,988	1
3350	Unappropriated retained earnings		2,000,701	12	1,385,221	8
	Other equity interest					
3400	Other equity interest		(192,793)	(1)	(164,879)	(1)
3XXX	Equity		9,750,776	58	8,972,065	53
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 16,860,857	100	\$ 16,869,112	100

The accompanying notes are an integral part of these parent company only financial statements.

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23) and 7	\$ 15,227,957	100	\$ 15,670,942	100
5000	Operating costs	6(6)(11)(28)(29) and 7	(12,721,360)	(83)	(12,756,989)	(82)
5900	Gross profit from operations		<u>2,506,597</u>	<u>17</u>	<u>2,913,953</u>	<u>18</u>
	Operating expenses	6(11)(28)(29)				
6100	Selling and administrative expenses		(706,379)	(5)	(707,908)	(4)
6300	Research and development expenses		(340,002)	(2)	(302,028)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(7,827)	-	(15,492)	-
6000	Operating expenses		(1,054,208)	(7)	(994,444)	(6)
6500	Net other income (expenses)	6(9)	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>
6900	Net operating income		<u>1,452,443</u>	<u>10</u>	<u>1,919,509</u>	<u>12</u>
	Non-operating income and expenses					
7100	Interest income	6(24)	11,942	-	11,346	-
7010	Other income	6(25) and 7	81,749	-	65,617	-
7020	Other gains and losses	6(26)	130,294	1	(50,132)	-
7050	Finance costs	6(27)	(25,820)	-	(31,499)	-
7055	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	-	-	(33,664)	-
7070	Share of profit of associates and joint ventures accounted for using equity method	6(7)	<u>107,144</u>	<u>1</u>	<u>47,860</u>	<u>-</u>
7000	Non-operating income and expenses		<u>305,309</u>	<u>2</u>	<u>9,528</u>	<u>-</u>
7900	Profit before income tax		<u>1,757,752</u>	<u>12</u>	<u>1,929,037</u>	<u>12</u>
7950	Income tax expense	6(30)	(309,099)	(2)	(398,456)	(2)
8200	Profit for the year		<u>\$ 1,448,653</u>	<u>10</u>	<u>\$ 1,530,581</u>	<u>10</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(17)	\$ 120,460	1	(\$ 183,401)	(1)
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(7,185)	-	(34,626)	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)	(65,051)	(1)	(7,758)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(24,002)	-	(44,146)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>24,222</u>	<u>-</u>	<u>(181,639)</u>	<u>(1)</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(7)	37,794	-	(2,795)	-
8380	Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)	-	-	(1,567)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	(7,819)	-	(16,498)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>29,975</u>	<u>-</u>	<u>12,136</u>	<u>-</u>
8300	Other comprehensive income (loss)		<u>\$ 54,197</u>	<u>-</u>	<u>(\$ 169,503)</u>	<u>(1)</u>
8500	Total comprehensive income		<u>\$ 1,502,850</u>	<u>10</u>	<u>\$ 1,361,078</u>	<u>9</u>
	Basic earnings per share	6(31)				
9750	Basic earnings per share		<u>\$ 2.02</u>		<u>\$ 2.24</u>	
9850	Diluted earnings per share		<u>\$ 1.94</u>		<u>\$ 2.06</u>	

The accompanying notes are an integral part of these parent company only financial statements.

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Share capital			Retained earnings			Other equity interest			

The accompanying notes are an integral part of these parent company only financial statements.

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,757,752	\$ 1,929,037
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(28)	1,095,887	1,261,837
Amortization expense	6(11)(28)	26,554	36,822
Loss on expected credit impairment	7 and 12(2)	7,827	18,172
Loss on financial assets at fair value through profit or loss	6(26)	1,261	5,225
Interest expense	6(27)	25,820	31,499
Interest income	6(24)	(11,942)	(11,346)
Share-based payments	6(19)	6,986	8,219
Share of profit of subsidiaries, associates and joint ventures	6(7)	(107,144)	(47,860)
Gain on disposal of property, plant and equipment	6(26)	(20,501)	(4,704)
Gain on disposal of non-current assets held for sale	6(26)	(6,700)	-
Gain on disposal of investments accounted for using equity	6(26)	-	(3,550)
Loss on decline in market value	6(6)	19,577	19,481
Gain arising from lease modifications	(	278)	(1,324)
Reclassification of exchange differences on translation of foreign financial statements to foreign exchange losses	(	2,957)	6,439
Other losses	6(26)	521	-
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease in contract assets		23,842	8,735
(Increase) decrease in notes receivable	(	9)	706
Increase in accounts receivable	(	128,227)	(665,893)
Decrease (increase) in accounts receivable due from related parties		434,566	(243,570)
Decrease (increase) in other receivables		16,809	(25,225)
Decrease in other receivables due from related		15,706	11,247
Decrease (increase) in inventories		75,930	(656,923)
Increase in other prepayments	(	10,837)	(8,649)
Increase in other current assets, others	(	7,795)	(931)
Decrease (increase) in other non-current assets -others		588	(1,008)
(Decrease) increase in contract liabilities	(	10,279)	62,786
Decrease in notes payable		-	(14,608)
(Decrease) increase in accounts payable	(	163,691)	874,392
Decrease in accounts payable to related parties	(	184)	(20,260)
(Decrease) increase in other payables	(	57,847)	383,521
Increase (decrease) in current provisions		4,083	(2,532)
(Decrease) increase in other current liabilities	(	5,378)	63,472
Decrease in net defined benefit liability	(	181,082)	(80,447)
Cash inflow generated from operations		2,798,858	2,932,760
Interest received		9,568	1,533
Income tax received		4,994	-
Net cash flows from operating activities		2,813,420	2,934,293

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from liquidation of financial assets at fair value through other comprehensive income	6(3)	\$ 22,082	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	32,727
Decrease in current financial assets at amortised cost		11,465	119,580
Acquisition of investments accounted for using equity method	6(7)	(1,209,920)	(290,000)
Proceeds from disposal of investments accounted for using equity		-	13,535
Proceeds from returns of share capital due to liquidation of subsidiaries		-	69,164
Acquisition of property, plant and equipment (including prepayment for equipment)	6(32)	(1,091,294)	(1,028,876)
Proceeds from disposal of property, plant and equipment		31,774	9,731
Decrease in other receivables		117,188	13,861
Decrease (increase) in long-term accounts receivable due from related parties		518,507	(71,415)
Acquisition of intangible assets	6(11)	(41,170)	(27,841)
Proceeds from disposal of non-current assets held for sale		290,005	-
Dividends received	6(7)	-	6,767
Net cash flows used in investing activities		(1,351,363)	(1,152,767)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(33)	1,621,958	3,098,880
Decrease in short-term borrowings	6(33)	(1,911,958)	(3,910,452)
Increase in short-term notes and bills payable	6(33)	-	49,972
Decrease in short-term notes and bills payable	6(33)	(50,011)	-
Proceeds from long-term borrowings	6(33)	863,262	1,255,700
Repayments of long-term borrowings	6(33)	(362,694)	(1,468,906)
(Decrease) increase in guarantee deposits received	6(33)	(17,156)	53,500
Payments of lease liabilities	6(33)	(28,203)	(16,409)
Cash dividends paid	6(22)	(733,916)	-
Interest paid		(27,446)	(13,682)
Other financing activities		-	26,555
Net cash flows used in financing activities		(646,164)	(924,842)
Net increase in cash and cash equivalents		815,893	856,684
Cash and cash equivalents at beginning of year		2,498,233	1,641,549
Cash and cash equivalents at end of year		\$ 3,314,126	\$ 2,498,233

The accompanying notes are an integral part of these parent company only financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Orient Semiconductor Electronics, Limited.

Opinion

We have audited the accompanying consolidated balance sheets of Orient Semiconductor Electronics, Ltd. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of 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 Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, 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 Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Existence and occurrence of sales revenue recognition of top 10 customers

Description

Please refer to Note 4(32) for accounting policies on revenue recognition and Note 6(24) for details of operating revenue account.

The operating revenue of the Group mainly arises from customer contract income. The Group is primarily engaged in package and testing and electronic manufacturing service. Operating revenue is a main index which is used in assessment of the management's operating performance and is a concern to users of the report. Because the sales revenue of top 10 customers represents a higher proportion of the whole operating revenue, we considered the existence of sales revenue recognition of top 10 customers as a key audit matter in the current year.

How our audit addressed the matter

Our audit procedures performed included the following:

1. Understood, assessed and tested the design and execution of internal control procedures of top 10 customers' sales revenue recognition.
2. Obtained the details of top 10 customers' details of sales revenue and sampled customers' orders, delivery bills, invoices and collection records.
3. Examined the content and related evidences of sales returns and discounts to top 10 customers after the balance sheet date.
4. Sampled and sent confirmations to inquire on the balance of accounts receivable. Performed reconciliation and alternative audit procedures on the confirmation replies.

Realisability of deferred tax assets

Description

Please refer to Note 4(30) of parent company only financial statements for details of accounting policies on the recognition of deferred income tax assets. As of December 31, 2022, the amount of the Company's deferred income tax assets was NTD 973,068 thousand, please refer to Note 6(31) of parent company only financial statements for details.

Deferred income tax assets can only be recognised in the scope of being used in possibly offsetting the taxable income in the future. The forecasted income statements which was used in the assessment of realisability of deferred income tax assets in the future and potential taxable income involved subjective judgment of management. We considered that the aforementioned judgment involved the forecast of subsequent years, and the assessment result is material to taxable income. Thus, we considered the realisability of deferred income tax assets as a key audit matter.

How our audit addressed the matter

Our audit procedures performed on the realisability of deferred income tax assets included the following:

1. Obtained future operating plan and forecasted income statements which were approved by management.
2. Examined the estimates in the forecasted income statements and compared that with historical result, and assessed the reasonableness of related assumptions which were adopted.
3. Compared taxable income in the future years with taxable loss in the past years and assessed the realisability of deferred income tax assets.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$12,252 thousand and NT\$569,532 thousand, constituting 0.07% and 3.35% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and operating revenue both amounted to NT\$0 thousand, constituting 0% of the consolidated total operating revenue for the years then ended.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the consolidated financial statements of Orient Semiconductor Electronics, Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Wang, Kuo-Hua

Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan

February 22, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 3,945,818	23	\$ 2,723,171	16
1136	Current financial assets at amortised cost	6(4) and 8	245,600	1	11,465	-
1140	Current contract assets	6(24)	272,248	2	296,090	2
1150	Notes receivable, net	6(5)	155	-	146	-
1170	Accounts receivable, net	6(5)	3,022,087	18	2,892,798	17
1180	Accounts receivable due from related parties, net	6(5) and 7	399	-	458,409	3
1200	Other receivables		38,894	-	59,042	-
1210	Other receivables due from related parties	7	-	-	56,596	-
130X	Inventories	6(6)	1,818,028	11	1,825,991	11
1410	Prepayments		107,990	1	97,313	-
1460	Non-current assets or disposal groups classified as held for sale, net	6(13)	-	-	488,274	3
1479	Other current assets, others		23,812	-	15,941	-
11XX	Current Assets		<u>9,475,031</u>	<u>56</u>	<u>8,925,236</u>	<u>52</u>
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	-	-	1,261	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,021,427	6	314,683	2
1550	Investments accounted for using equity method	6(7)	1,843	-	467,174	3
1600	Property, plant and equipment	6(8) and 8	5,220,775	31	5,403,685	32
1755	Right-of-use assets	6(9)	166,755	1	256,264	2
1760	Investment property - net	6(11)	-	-	-	-
1780	Intangible assets	6(12) and 7	47,547	-	32,972	-
1840	Deferred tax assets	6(31)	973,068	6	1,205,821	7
1915	Prepayments for business facilities		20,581	-	167,490	1
1920	Guarantee deposits paid	8	17,098	-	154,187	1
1940	Long-term notes and accounts receivable due from related parties	7	-	-	85,839	-
1990	Other non-current assets, others		2,659	-	3,877	-
15XX	Non-current assets		<u>7,471,753</u>	<u>44</u>	<u>8,093,253</u>	<u>48</u>
1XXX	Total assets		<u>\$ 16,946,784</u>	<u>100</u>	<u>\$ 17,018,489</u>	<u>100</u>

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(14) and 8	\$ -	-	\$ 299,408	2
2110	Short-term notes and bills payable	6(15)	-	-	49,986	-
2130	Current contract liabilities	6(24)	77,879	-	88,971	1
2150	Notes payable		-	-	59,087	-
2170	Accounts payable		3,042,415	18	3,221,816	19
2180	Accounts payable to related parties	7	736	-	745	-
2200	Other payables	6(16)	1,299,565	8	1,637,483	10
2220	Other payables to related parties	7	20,000	-	40,986	-
2230	Current tax liabilities		123,863	1	-	-
2250	Current provisions		14,439	-	10,356	-
2280	Current lease liabilities	7	27,958	-	35,532	-
2320	Long-term liabilities, current portion	6(17) and 8	-	-	60,700	-
2365	Current refund liabilities		21,068	-	24,820	-
2399	Other current liabilities, others		56,398	-	165,963	1
21XX	Current Liabilities		<u>4,684,321</u>	<u>27</u>	<u>5,695,853</u>	<u>33</u>
	Non-current liabilities					
2540	Non-current portion of non-current borrowings	6(17) and 8	1,148,962	7	587,694	4
2580	Non-current lease liabilities	7	133,352	1	213,510	1
2635	Non-current preference share liabilities	6(19)	1,003,851	6	1,005,149	6
2640	Net defined benefit liability, non-current	6(18)	185,658	1	487,200	3
2645	Guarantee deposits received		39,864	-	57,018	-
25XX	Non-current liabilities		<u>2,511,687</u>	<u>15</u>	<u>2,350,571</u>	<u>14</u>
2XXX	Total Liabilities		<u>7,196,008</u>	<u>42</u>	<u>8,046,424</u>	<u>47</u>
	Equity attributable to owners of parent					
	Share capital	6(20)(21)				
3110	Common stock		5,553,299	33	5,554,319	33
3120	Preferred stock		1,801,800	11	1,801,800	11
	Capital surplus	6(22)				
3200	Capital surplus		238,171	1	234,897	1
	Retained earnings	6(23)				
3310	Legal reserve		192,241	1	53,719	-
3320	Special reserve		157,357	1	106,988	1
3350	Unappropriated retained earnings		2,000,701	12	1,385,221	8
	Other equity interest					
3400	Other equity interest		(192,793)	(1)	(164,879)	(1)
31XX	Equity attributable to owners of the parent		<u>9,750,776</u>	<u>58</u>	<u>8,972,065</u>	<u>53</u>
3XXX	Total equity		<u>9,750,776</u>	<u>58</u>	<u>8,972,065</u>	<u>53</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		<u>\$ 16,946,784</u>	<u>100</u>	<u>\$ 17,018,489</u>	<u>100</u>

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

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(24) and 7	\$ 15,531,669	100	\$ 15,948,138	100
5000 Operating costs	6(6)(12)(29)(30) and 7	(13,008,745)	(84)	(13,011,394)	(81)
5900 Net operating margin		2,522,924	16	2,936,744	19
Operating expenses	6(12)(29)(30)				
6100 Selling and administrative expenses		(742,128)	(5)	(774,535)	(5)
6300 Research and development expenses		(340,002)	(2)	(302,028)	(2)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(7,548)	-	16,100	-
6000 Total operating expenses		(1,089,678)	(7)	(1,060,463)	(7)
6500 Net other income (expenses)	6(9)	54	-	-	-
6900 Operating profit		1,433,300	9	1,876,281	12
Non-operating income and expenses					
7100 Interest income	6(25) and 7	11,102	-	3,831	-
7010 Other income	6(26) and 7	166,048	1	97,403	-
7020 Other gains and losses	6(27)	153,180	1	(47,993)	-
7050 Finance costs	6(28)	(25,909)	-	(33,158)	-
7055 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	-	-	1,200	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(7)	30,567	-	41,612	-
7000 Total non-operating income and expenses		334,988	2	62,895	-
7900 Profit before income tax		1,768,288	11	1,939,176	12
7950 Income tax expense	6(31)	(319,635)	(2)	(408,595)	(2)
8200 Profit for the year		\$ 1,448,653	9	\$ 1,530,581	10

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

		Year ended December 31			
		2022		2021	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income (loss), before tax, actuarial gains (losses) on defined benefit plans	6(18)			
		\$	120,460	1	(\$ 183,401) (1)
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)			
		(	72,236) (1) (	42,384)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)			
		(	24,002)	-	44,146 -
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
			24,222	-	(181,639) (1)
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(7)			
			37,794	1	(2,795) -
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)			
			-	-	(1,567) -
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)			
		(	7,819)	-	16,498 -
8360	Components of other comprehensive income that will be reclassified to profit or loss				
			29,975	1	12,136 -
8300	Total other comprehensive income (loss) for the year		\$ 54,197	1	(\$ 169,503) (1)
8500	Total comprehensive income for the year		\$ 1,502,850	10	\$ 1,361,078 9
Profit attributable to:					
8610	Owners of parent		\$ 1,448,653	9	\$ 1,530,581 10
Comprehensive income attributable to:					
8710	Owners of parent		\$ 1,502,850	10	\$ 1,361,078 9
Basic earnings per share 6(32)					
9750	Total basic earnings per share		\$ 2.02	\$	2.24
9850	Total diluted earnings per share		\$ 1.94	\$	2.06

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

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										
	Share capital			Retained earnings			Other equity interest				
	Notes	Ordinary share	Preference share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total equity
<u>Year 2021</u>											
Balance at January 1, 2021		\$ 5,570,425	\$ 1,801,800	\$ 220,723	\$ 53,719	\$ 18,730	\$ 88,258	(\$ 54,047)	(\$ 79,166)	(\$ 17,674)	\$ 7,602,768
Profit for the year		-	-	-	-	-	1,530,581	-	-	-	1,530,581
Other comprehensive income (loss)		-	-	-	-	-	(146,721)	12,136	(34,918)	-	(169,503)
Total comprehensive income (loss)		-	-	-	-	-	1,383,860	12,136	(34,918)	-	1,361,078
Appropriation and distribution of 2020 retained earnings:											
Special reserve		-	-	-	-	88,258	(88,258)	-	-	-	-
Share-based payment transactions	6(20)	(16,106)	-	14,174	-	-	-	-	-	10,151	8,219
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	-	1,361	-	(1,361)	-	-
Balance at December 31, 2021		\$ 5,554,319	\$ 1,801,800	\$ 234,897	\$ 53,719	\$ 106,988	\$ 1,385,221	(\$ 41,911)	(\$ 115,445)	(\$ 7,523)	\$ 8,972,065
<u>Year 2022</u>											
Balance at January 1, 2022		\$ 5,554,319	\$ 1,801,800	\$ 234,897	\$ 53,719	\$ 106,988	\$ 1,385,221	(\$ 41,911)	(\$ 115,445)	(\$ 7,523)	\$ 8,972,065
Profit for the year		-	-	-	-	-	1,448,653	-	-	-	1,448,653
Other comprehensive income (loss)		-	-	-	-	-	96,368	29,975	(72,146)	-	54,197
Total comprehensive income (loss)		-	-	-	-	-	1,545,021	29,975	(72,146)	-	1,502,850
Appropriation and distribution of 2021 retained earnings:											
Legal reserve		-	-	-	138,522	-	(138,522)	-	-	-	-
Special reserve		-	-	-	-	50,369	(50,369)	-	-	-	-
Cash dividend	6(23)	-	-	-	-	-	(733,916)	-	-	-	(733,916)
Share-based payment transactions	6(20)	(1,020)	-	483	-	-	-	-	-	7,523	6,986
Disposal of investments accounted for under the equity method	6(18)	-	-	2,791	-	-	-	-	-	-	2,791
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	-	(6,734)	-	6,734	-	-
Balance at December 31, 2022		\$ 5,553,299	\$ 1,801,800	\$ 238,171	\$ 192,241	\$ 157,357	\$ 2,000,701	(\$ 11,936)	(\$ 180,857)	\$ -	\$ 9,750,776

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

ORIENT SEMICONDUCTOR ELECTRONICS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,768,288	\$ 1,939,176
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(11)(29)	1,112,078	1,301,755
Amortization charge	6(12)(29)	26,739	37,035
Loss (gain) on expected credit impairment	12(2)	7,548 (	17,300)
Loss on financial assets at fair value through profit or loss	6(27)	1,261	5,225
Interest expense	6(28)	25,909	33,158
Interest income	6(25)	(11,102 ) (	3,831)
Dividend income	6(26)	(54,660 ) (	9,538)
Compensation cost of share-based payments	6(20)	6,986	8,219
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(30,567 ) (	41,612)
Loss on disposal of property, plant and equipment	6(27)	(20,498 ) (	4,457)
Loss on disposal of investment property	6(27)	-	9,335
Gain on disposal of non-current assets held for sale	6(27)	(52,164)	-
Gain on disposal of investments accounted for using equity method	6(27)	- (	3,550)
Loss on decline in market value	6(6)	22,620	18,720
Gain arising from lease modifications	(	2,172 ) (	1,324)
Reclassification of exchange differences on translation of foreign financial statements to foreign exchange losses	(	5,956)	6,439
Other losses		521	-
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease in contract assets		23,842	8,735
(Increase) decrease in notes receivable	(	9)	706
Increase in accounts receivable	(	131,822 ) (	669,690)
Decrease (increase) in accounts receivable due from related parties		458,010 (	228,488)
Decrease (increase) in other receivables		18,831 (	34,328)
Decrease (increase) in other receivables due from related parties		62,813 (	12,456)
Decrease (increase) in inventories		4,761 (	708,004)
Decrease in prepayments		1,028	7,937
(Increase) in other current assets	(	7,655 ) (	971)
Decrease (increase) in other non-current assets -others		1,355 (	389)
Changes in operating liabilities			
(Decrease) increase in contract liabilities	(	11,165)	63,608
Decrease (increase) in notes payable		- (	14,608)
(Decrease) increase in accounts payable	(	192,238)	931,226
(Decrease) increase in accounts payable to related parties	(	9)	1,741
Decrease (increase) in other payables	(	105,070)	375,240
Increase in other payables to related parties		14,491	-
Increase (decrease) in current provisions		4,083 (	2,532)
(Decrease) increase in other current liabilities	(	2,664)	64,103
Decrease in net defined benefit liability	(	181,082 ) (	80,446)
Cash inflow generated from operations		2,752,331	2,978,834
Interest received		10,642	3,764
Income tax received		4,982	-
Net cash flows from operating activities		2,767,955	2,982,598

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ORIENT SEMICONDUCTOR ELECTRONICS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in non-current financial assets at fair value through other comprehensive income		(\$ 801,062)	(\$ 282,562)
Proceeds from liquidation of financial assets at fair value through other comprehensive income	6(3)	22,082	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	32,727
(Increase) decrease in non-current financial assets at amortised cost		(229,395)	119,580
Proceeds from disposal of investments accounted for using equity method		-	13,535
Acquisition of property, plant and equipment	6(33)	(1,092,284)	(1,053,077)
Proceeds from disposal of non-current assets held for sale		964,396	-
Proceeds from disposal of property, plant and equipment		31,774	9,961
Decrease in refundable deposits		138,851	12,875
Acquisition of intangible assets	6(12)	(41,170)	(28,453)
Decrease in long-term accounts receivable due from related parties		93,400	-
Dividends received		54,660	22,442
Net cash flows used in investing activities		(858,748)	(1,152,972)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(34)	1,621,958	3,122,926
Decrease in short-term borrowings	6(34)	(1,922,195)	(3,929,744)
Increase in short-term notes and bills payable	6(34)	-	49,972
Decrease in short-term notes and bills payable	6(34)	(50,011)	-
Proceeds from long-term borrowings	6(34)	863,262	1,255,700
Repayments of long-term borrowings	6(34)	(362,694)	(1,473,752)
Increase (decrease) in guarantee deposits received	6(34)	(17,156)	53,522
Payments of lease liabilities	6(34)	(34,306)	(29,494)
Cash dividends paid	6(23)	(733,916)	-
Payment of interest		(29,779)	(25,122)
Other financing activities		-	26,555
Net cash flows used in financing activities		(664,837)	(949,437)
Effect of exchange rate changes on cash and cash equivalents		(21,723)	(2,818)
Net increase in cash and cash equivalents		1,222,647	877,371
Cash and cash equivalents at beginning of year		2,723,171	1,845,800
Cash and cash equivalents at end of year		<u>\$ 3,945,818</u>	<u>\$ 2,723,171</u>

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

Orient Semiconductor Electronics, Ltd.
PROFIT DISTRIBUTION TABLE
 2022

Unit: NT\$

Item	Amount	
	Sub-total	Total
Undistributed Earnings at the Beginning of the Period		462,414,157
Add: Net profit after tax	1,448,653,115	
Add: Remeasurements of the defined benefit plans	96,367,937	
Less: Disposal of equity instrument measured at fair value through other comprehensive income	(6,733,929)	
Less: 10% legal reserves	(153,828,712)	
Less: special reserve	(35,435,933)	
Distributable net profit in the period		1,811,436,635
Distributable items:		
Less: Dividends for Preferred Shares C (Note 2)		(153,153,000)
Less: Cash dividend for common stock - NT\$ 0.85 per share (Note 3)		(472,012,083)
Undistributed earnings at the end of the period		1,186,271,552
<p>Note 1: Among the Company's distributable earnings, the priority for distribution shall be given to the accumulated undistributed dividends of Class B preferred shares of the current year, which stood at NT\$19,999,980 as at December 31, 2022.</p> <p>Note 2: On December 3, 2020, through private placement, the Company issued 180,180,000 shares of preferred shares C, which bore an annual interest rate of 2%. Calculated at the issuance price of NT\$11.10, the total distributed amount reached NT\$39,999,960. If the proposed dividend for the Company's common stock exceeds the dividend amount of Class C preferred shares, the holders of Class C preferred shares shall be entitled to participate in the distribution until the number of dividends per Class C preferred share is the same as the number of the dividend per common share. An additional NT\$ 113,153,040 was distributed, bringing the total distribution amount to NT\$ 153,153,000.</p> <p>Note 3: Dividend distribution was calculated by applying the number of shares that had been issued and entitled to participation in right distribution as of the Board meeting dated April 26, 2023, which stood at 555,308,333 shares.</p> <p>Note 4: Cash dividend was calculated at the distribution percentage and rounded to the nearest whole number. The sum of the fractional amount less than NT\$1 will be recognized as the Company's other income.</p>		

Chairman: Yueh-Ming Tung President: Jia-Rong Tu

Head of Accounting: Shu-Yung Chu

Orient Semiconductor Electronics, Ltd.

"Article of Incorporation"

Comparison Table of Amendment Clauses

Clause No.	Content		Amendment basis and reasons
	After the amendment	Before the amendment	
Article 26-1	<p>The Company's earnings distribution or loss make-up shall be carried out after the end of each quarter. Earnings are distributed in cash and shall be resolved by the board of directors and reported to the shareholders' meeting as required in Article 228-1 and Article 240 Paragraph 5 of the Company Act.</p> <p>If there are any retained earnings upon the general final accounts at the end of the year, they will be used for the payment of all payable taxes and offsetting the accumulated deficits in the previous years and 10% of the remainder will be contributed as legal reserves, and special reserves should be provided or reversed according to the laws or as requested by the competent authority.</p> <p>Dividends may be distributed to preferred shares. If there is any surplus, the remaining balance will be added to the accumulated undistributed earnings of the previous years, and the Board of Directors will prepare a proposal for distribution and submit it to the Shareholders for approval. <u>Earnings are distributed in cash and shall be resolved by the board of directors and reported to the shareholders' meeting as required in Article 228-1 and Article 240 Paragraph 5 of the Company Act.</u></p> <p>As the Company operates in a volatile business environment, the enterprise life cycle is in the growth stage, and to take into consideration the Company's capital demand in the future, long-term financial plan and to satisfy the Shareholders' cash flow. The distribution of the earnings in the year shall not be less than 10% of the accumulated distributable earnings; however, when the accumulated distributable earnings is less than 1% of paid-in capital, the Company may elect not to distribute earnings. In addition, cash dividends shall not be less than 10% of the total dividends.</p>	<p>The Company's earnings distribution or loss make-up shall be carried out after the end of each quarter. Earnings are distributed in cash and shall be resolved by the board of directors and reported to the shareholders' meeting as required in Article 228-1 and Article 240 Paragraph 5 of the Company Act.</p> <p>If there are any retained earnings upon the general final accounts at the end of the year, they will be used for the payment of all payable taxes and offsetting the accumulated deficits in the previous years and 10% of the remainder will be contributed as legal reserves, and special reserves should be provided or reversed according to the laws or as requested by the competent authority.</p> <p>Dividends may be distributed to preferred shares. If there is any surplus, the remaining balance will be added to the accumulated undistributed earnings of the previous years, and the Board of Directors will prepare a proposal for distribution and submit it to the Shareholders for approval.</p> <p>As the Company operates in a volatile business environment, the enterprise life cycle is in the growth stage, and to take into consideration the Company's capital demand in the future, long-term financial plan and to satisfy the Shareholders' cash flow. The distribution of the earnings in the year shall not be less than 10% of the accumulated distributable earnings; however, when the accumulated distributable earnings is less than 1% of paid-in capital, the Company may elect not to distribute earnings. In addition, cash dividends shall not be less than 10% of the total dividends.</p>	Meeting the Company's operational needs.
Article 30	<p>The Company's Articles of Incorporation are dated May 27, 1971. (Omission)</p> <p>The forty-eighth amendment was made on July 15, 2021.</p>	<p>The Company's Articles of Incorporation are dated May 27, 1971. (Omission)</p> <p>The forty-eighth amendment was made on July 15, 2021.</p>	Add the date of the amendment.

Clause No.	Content		Amendment basis and reasons
	After the amendment	Before the amendment	
	<u>The forty-ninth amendment was made on June 9, 2023.</u>		

Orient Semiconductor Electronics, Ltd.

Employee Restricted Stock Awards Rules for 2023

I. Purpose of issuance

To attract and retain requisite professional talent, to motivate employees and enhance their cohesion and sense of belonging and jointly create benefits for the Company and shareholders, and to ensure that the interests of shareholders are linked to the interests of employees, the Company has formulated its “Employee Restricted Stock Awards Rules for 2023” in accordance with Article 267 of the Company Act and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” (“Offering and Issuance Regulations” hereinafter) promulgated by the Financial Supervisory Commission.

II. Registration filing and issuance period:

The Company may register one issue or multiple issues within a year after the resolution date of the shareholders’ meeting. Each registered issue may be issued in one issue or multiple issues, as the circumstance requires, within two years after receiving the notice from the competent authority indicating that the registered issue has become effective. The Board of Directors shall authorize the Chairman to set an actual issue date.

III. Total issue amount:

The size of issue under these Regulations amounted to NT\$50,000,000, which was represented by 5,000,000 common shares at NT\$10 per share.

IV. Employee eligibility, and procedures for reviewing eligibility

- (I) Employees eligible for such restricted shares shall be limited to the regular employees who were still in service on the Grant Date and whose performance was rated “Excellent”. However, employees holding 10% or more of the Company’s issued shares shall not be eligible.
- (II) Eligible employees shall be limited to those who fall into the following category:
 - (1) Personnel highly associated with the development of the Company’s strategy in the future
 - (2) Talent of core technologies
- (III) The actual subscribable quantity of such restricted shares shall be determined by referencing an employee’s job tenure, job rank, job performance, overall contribution, special merits, and potential to contribute in the future, and requirements of the Company’s operations and business development strategy, and after being approved by the Chairman and then by the Board of Directors; however, if such an employee is a director or manager, an additional and prior approval of the Remuneration Committee shall be obtained. If such an employee is not a director or manager, an additional and prior approval from the Audit Committee shall be obtained.
- (IV) Where the Company issues employee stock warrants under Article 56-1, paragraph 1 of the Offering and Issuance Regulations, the cumulative number of shares subscribable by a single warrant holder of the employee stock warrants, in combination with the cumulative number of new restricted employee shares obtained by the single warrant holder, may not exceed 0.3 percent of the Company’s total issued shares. And the above in combination with the cumulative number of shares subscribable by the single warrant holder of employee stock warrants issued by the Company under Article 56, paragraph 1 of the Offering and issuance Regulations, may not exceed 1 percent of the Company’s total issued shares. If the cap on the number of new restricted employee shares subscribable by a single employee as specified in this paragraph of this article changes due to change in the competent authority’s requirements, the updated laws and regulations and the requirements of the competent authority shall prevail, or the said percentage does not apply if an approval from the competent authority of the industry concerned specifying otherwise is obtained.

V. Issue terms and conditions:

- (I) Issue price: NT\$0, i.e., gratuitous issue.
- (II) Type of issued shares: New common shares
- (III) Vesting condition: Employees who are still with the Company at the expiry of the following vesting periods after being granted new restricted employee shares according to these Regulations, who are not deemed by the Company to have violated the employment contract or Work Rules, and who are not subject to any disciplinary action may have their new restricted employee shares vested by the following percentage, service years, and performance criteria:
 - (1) 30% for employees who have served the Company for one year after the Grant Date and are ranked “A” or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.
 - (2) 30% for employees who have served the Company for two years after the Grant Date and are ranked “A” or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.
 - (3) 40% for employees who have served the Company for three years after the Grant Date and are ranked “A” or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.
- (IV) Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:
 1. If an employee who were granted shares under these Regulations serves the Company for the number of years specified in Article 5, Paragraph (3) but fails to meet the performance criteria, which are part of vesting conditions, the Company will retrieve and retire such shares from the employee without any compensation.
 2. If any of the following circumstance applies to an employee, it shall be deemed that the vesting conditions have not been met, and the restricted shares not vested shall be retrieved by the Company without any compensation and retired according to law.
 - (1) Resignation: If an employee resigns for any cause, retires, or is laid off or transferred to another job, such an employee, immediately on the effective date of said circumstance, shall be deemed to have failed to meet the vesting conditions for his/her restricted shares not vested
 - (2) Ordinary Death: If an employee dies, such an employee, immediately on the death date, shall be deemed to have failed to meet the vesting conditions for his/her restricted shares not vested.

3. If any the following circumstances applies to an employee, the restricted shares not vested shall be handled in the following manner:
 - (1) Employees who resign due to incompetency in work as a result of physical inability caused by work-related injury are deemed to have met the vesting conditions and may have the unvested shares in his/her possession vested early upon the resignation date.
 - (2) If an employee dies due to any occupational incident, such an employee, immediately on the death date, shall be deemed to have met the vesting conditions for his/her restricted shares not vested. The employee's heir, after having accomplished all legal procedures and submitted supporting documents, may apply to inherit the shares such an heir is entitled to.
 - (3) Leave without pay: In the event that the employee takes the leave without pay with the Company's approval, calculation of the vesting period will be suspended on the effective date of approval of leave without pay and will be resumed on the date of resumption of duty. However, in the event that the employee does not resume his/her duty after the period of leave without pay, the abovementioned handling process of voluntary resignation will apply.
4. Others: If after being granted restricted shares in accordance with the Regulations, an employee violates the employment contract or the Work Rules to an extent considered material by the Company, the Company has the right to retrieve the unvested new restricted employee shares in the employee's possession without any compensation and retire such shares by law.

VI. The rights that are subject to restriction until vesting conditions are met:

- (I) This installment of new restricted Employee shares issued by the Company shall be safeguarded by an entrusted trust institution assigned by the Company after employees receive the distribution. Employees may not ask the trustee to return new restricted employee shares for any reason or method before the fulfillment of vesting conditions.
- (II) After being granted the restricted shares and before meeting the vesting conditions, an employee may not sell, pledge, transfer, donate, create any right on, such restricted shares, or treat them in any other manner, except in the case of inheritance.
- (III) Before fulfillment of vesting conditions, new shares granted to employees shall have the rights, e.g., attendance, submission of proposal, speech, vote, and election at a shareholders' meeting, identical to those attached to the Company's issued common shares, and shall be subject to the trust contract.
- (IV) Before fulfillment of vesting conditions, all other rights attached to the restricted shares issued under the Regulations, including but not limited to the right to dividend, bonus, distribution of legal reserve, and capital surplus, and the preferred right to subscribe to new shares, are the same as the rights attached to the Company's issued common shares; matters relevant in this regard shall be handled by the trust contract.
- (V) For employees reaching vested conditions during the book closure date for issuance of bonus shares, book closure date for cash dividends, the subscription of new shares resulting from a cash capital increase, matters of closure date for Shareholders meeting specified in Article 165, paragraph 3 of the Company Act, or other book closure period of the record date for distribution of entitlements, the expiration date and vested date of their shares shall be handled by the trust contract or applicable laws and regulations.

VII. Other material covenants:

During the trust period of new employee restricted shares, the Company or the person designated by the Company shall be in full powers to act in the place of employees in, without being limited to, the negotiation, execution, modification, renewal, termination, and cancellation of trust contract, or instruction on delivery, use, or disposal of trust assets.

VIII. Contract execution and undertaking of confidentiality:

- (I) Employees granted new restricted employee shares shall, upon notice from the Company's responsible unit, sign the "Letter of Consent to Receipt of New Restricted Employee Shares" and the "Undertaking of Non-compete Restriction and Confidentiality" and complete relevant trust proceedings. Employees failing to sign the said document are deemed to have waived their entitlement to new restricted employee shares.
- (II) Employees and all persons granted new restricted employee shares and any derived interests shall abide by these Regulations and the requirements in the "Letter of Consent to Receipt of New Restricted Employee Shares" and the "Undertaking of Non-compete Restriction and Confidentiality", shall comply with the Company's rules for keeping salary confidential, and may not confide the shares granted to them and any relevant content. Violators will be deemed to have failed the vesting conditions and will see their unvested shares retrieved and retired by the Company without any compensation.

IX. Tax:

Tax associated with new restricted employee shares granted by these Regulations shall be subject to the prevailing laws of the R.O.C.

X. Other material information :

- (I) These Regulations shall be effective and enforced only by a majority vote at a board of directors' meeting attended by two third or more of all directors, by an approval from the shareholders' meeting through a resolution, and by a declaration to, and an approval from, the competent authority. If subsequently these Regulations are required to be amended due to review requirements of the competent authority, or due to amendment of laws or regulations, the Chairman shall be authorized to do so, and may publish the amended Regulations after a retrospective approval has been obtained from the Board of Directors.
- (II) Unless otherwise provided by law, where the Regulations do not provide for, the Chairman or other person authorized by the Chairman shall be exclusively authorized to execute related matters, or amend the Regulations, in accordance with applicable laws.

Orient Semiconductor Electronics, Ltd.

Rules of Procedure for Shareholders' Meetings

Establishment on March 8, 1990

Amendment on June 08, 2002

Amendment on June 11, 2013

- I. Unless otherwise provided by laws, the Company's Shareholders' Meeting shall be subject to this rule.
- II. The attending Shareholders shall provide the sign-in card instead of signing in, and the number of attending shares shall be calculated according to the number of the sign-in cards.
- III. The attendance and voting for the Shareholders' Meeting shall be calculated by the shares.
- IV. The place where the Shareholders' Meeting is held shall be at the place where the Company is located or where it is convenient for the Shareholders' attending and shall be suitable for the Shareholders' Meeting. The starting time for the meeting shall not be earlier than 9.00 am or later than 3.00 pm.
- V. When the Shareholders' Meeting is convened by the Board of Directors, the Chairman shall chair the meeting. If the Chairman is on leave or unable to exercise the duties for certain reasons, the vice Chairman shall represent. If there is no vice Chairman or the vice Chairman is also on leave or unable to exercise the duties for certain reasons, the Chairman shall appoint one of the executive Directors to represent. If there is no executive Directors, one of the Directors shall be appointed to represent. If the Chairman does not appoint the representative, the executive Directors or Directors shall recommend one of them to represent. Provided that the Shareholders' Meeting is convened by a person other than the Board of Directors who has authority to convene, such convener shall chair the meeting.
- VI. The Company may appoint its assigned lawyers, CPAs or the related persons to attend the Shareholders' Meeting.

The personnel who are in charge of the matters of the Shareholders' Meeting shall wear identification badges or armbands.
- VII. The Company shall conduct the sound recording or video recording for the entire process of the Shareholders' Meeting and keep it for at least one year.
- VIII. At the time of the meeting, the Chairman shall call the meeting to order. However, if the attending Shareholders do not represent more than half of the total number of shares issued, the Chairman may announce to postpone the meeting. The number of delays shall be limited to two times and total time delayed shall not exceed one hour. If the attending Shareholders still do not represent one-thirds or more of the total numbers of shares issued after two postponements, the tentative resolutions may be made according to the first Paragraph of the Article 175 of the Company Act. Before the end of the meeting, if the attending Shareholders have represented more than half of the total number of shares issued, the Chairman may re-report the tentative resolutions to the meeting for voting according to Article 174 of the Company Act.
- IX. When the Shareholders' Meeting is convened by the Board of Directors, its meeting agenda shall be determined by the Board of Directors. The meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the Shareholders' Meeting. When the Shareholders' Meeting is convened by persons other than the Board of Directors who have authority to convene the meeting, the regulations of the preceding paragraph shall be applicable. Before the scheduled agenda (including Extempore Motions) stated in the preceding two paragraphs are resolved, the Chairman shall not announce the adjournment.

After the adjournment of the meeting, the Shareholders shall not elect another Chairman to continue the meeting at the same place or any other place. However, if the Chairman violates the meeting rules to announce the adjournment, the meeting may continue with the consent of more than half of the voting rights represented by the attending Shareholders to elect one person to chair the meeting.
- X. Before the attending Shareholders speak, they shall fill in the notes stating their subjects, their Shareholder account numbers (or their attending certificate number) and their names. The Chairman shall determine the order of speaking.

The attending Shareholders who provide the speaking notes but did not speak shall be deemed as not having spoken. When the content of speaking is different from the speaking notes, the content of speaking notes shall prevail. When an attending Shareholder speaks, other Shareholders shall not speak to interfere without the consent of the Chairman and the speaking Shareholder. The Chairman shall stop any violation.

- XI. Without the consent of the Chairman, each Shareholder on the same proposal may not speak more than twice, and each time shall not exceed 5 minutes. If a Shareholder speaks in violation of the regulations stipulated in the preceding paragraph or exceeds the scope of the agenda, the Chairman shall prevent the speaker from speaking further.
 - XII. When a legal person is delegated to attend the Shareholders' Meeting, such legal person shall only assign one person to present his/her attendance.

When a legal person assigns two or more representatives to attend the Shareholders' Meeting, only one person can speak on the same proposal.
 - XIII. After an attending Shareholder speaks, the Chairman may answer in person or assign the related persons to answer.
 - XIV. When the Chairman considers that the discussion of a proposal has reached the level of voting, such discussion may be stopped discussing and proceed with the voting.
 - XV. The scrutineers and the tellers for the voting of the proposals shall be assigned by the Chairman, but the scrutineers shall be Shareholders. The results of the voting shall be reported on the spot and made into a record.
 - XVI. During the meeting, the Chairman may, at his or her discretion, announce to take a break.
 - XVII. Unless otherwise provided by the Company Act and the Articles of Incorporation, the voting on a proposal shall be approved by more than half of the voting rights represented by the attending Shareholders.
- While voting, if the Chairman asks for an opinion and results in no objection, the motion shall be deemed to have been passed and its validity shall be the same as the voting.
- XVIII. If there are amendments or alternatives to the same proposal, the Chairman shall combine them together with the original proposal and determine their voting order. If one of the proposals has been passed, the other proposals shall be deemed to have been vetoed and no further votes are required.
 - XIX. The Chairman may direct the pickets (or security guards) to assist in maintaining order in the venue. When the pickets (or security guards) are present to assist in maintaining order, the armbands with the printed words of "Proctor " shall be worn.
 - XX. (Deleted)
 - XXI. This rule shall be approved by the Shareholders' Meeting and implemented afterwards. The same shall apply to the amendment.

Orient Semiconductor Electronics, Ltd.

The Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company has been founded in accordance with the Company Act and has been named the Orient Semiconductor Electronics, Ltd.
- Article 2 The Company's name in English is Orient Semiconductor Electronics, Ltd.
- Article 3 The Company has established its head office in Kaohsiung. If necessary, a branch company or subsidiary may be established domestically or abroad with the resolution of the Chairman according to the laws.
- Article 3 The Company's public announcements are duly made in accordance with the Company Act of the ROC, and other applicable laws and regulations.

Chapter 2 Shares

- Article 4 The Company's total capital is NT\$20 billion, which is divided into 2 billion shares with the par value of NT\$10 per share. The total number of shares is issued in installments. The unissued shares will be issued in separate issues of common shares and preferred shares, depending on the Company's business needs, out of the unissued shares, 90 million shares are retained for the purpose of the share subscription warrants and the Board of Directors is authorized to resolve the issuance at a suitable time.
- Article 4-1 The rights and obligations of the Company's Preferred Shares B and the main conditions of issuance are as follows
- I. Distributions of earnings shall be handled in accordance with the Company's Articles of Incorporation. Earnings to be distributed may be distributed to Class B preferred shares of the year or the quarter and accumulated undistributed dividends. If there are no earnings or if earnings are insufficient to pay the full dividend on Class B preferred shares, distributable earnings shall be first be distributed to Class B preferred shares. Any shortfall in dividends will be made up first with future annual or quarterly earnings.
 - II. The annual interest rate of dividends for Class B preferred shares is 2% which is calculated based on the issue price per share and paid in cash. The ex-dividend date of the preferred shares is authorized to be set by the board of directors. The number of dividends issued in the year or in the quarter and the number of dividends received in the year or in the quarter is calculated based on the actual number of days of issuance.
 - III. If the Company's proposed distribution of dividends for common stock for the current year or current quarter exceeds the number of dividends on Class B preferred shares, holders of Class B preferred shares will not be entitled to dividends.
 - IV. Except for aforementioned dividends, Class B preferred shares cannot be participated in the distribution of earnings or reserves from common stock and other preferred shares.
 - V. There is no contractual right to covert Class B preferred shares into common stock.
 - VI. Holders of Class B preferred shares do not have voting rights at common stock shareholders meeting nor do they have the voting rights to elect a director (independent directors included); however, holders of Class B preferred shares have voting rights regarding matters concerning shareholders rights of Class B preferred shares at shareholders meeting of preferred shares.
 - VII. The order of the Company's remaining property of Class B preferred shares is distributed to common stock and Class C preferred shares, but each share shall not exceed the issue price plus the number of unpaid dividends payable.
 - VIII. Preferred Shares B shall be issued for a period of five years and the preferred Shareholders have no right to request the Company to redeem the preferred shares held by them prior to that. However, the Company may redeem all or part of the preferred shares at the actual issue price, or in any other manner permitted by law, at any time from the day following the third year of the issue. The rights and obligations shall continue under the conditions of the issuance of Preferred Shares B until they are redeemed by the Company. In the year in which Preferred Shares B are to be redeemed, if the Company's Shareholders' Meeting has resolved to issue dividends, the dividends shall be paid up to the date when Preferred Shares B are redeemed, and shall be calculated on the basis of the actual days of holding of shares in that year.
 - IX. When the Company issues new shares of common shares by increasing cash capital, the Shareholders of Preferred Shares B have the same preemptive right as the Shareholders of common shares.
 - X. Where Preferred Shares B are qualified for an early redemption or after the expiration of the issuance period, if the Company is unable to redeem all or part of Preferred Shares B

due to force majeure or reasons not attributable to the Company, the rights of unredeemed preferred shares shall remain in accordance with the conditions of issuance as described in the preceding paragraph until Preferred Shares B are fully redeemed by the Company. Dividends are also calculated at the original annual interest rate and the actual extension period. The rights of Preferred Shares B shall not be violated as stipulated in the Company's Articles of Incorporation.

- XI. Preferred Shares B will not be listed for trading during the issuance period. The Board of Directors is authorized to determine the name, issuance date and specific conditions of issuance of Preferred Shares B in accordance with the Company's Articles of Incorporation, and relevant laws and regulations depending on the market situation and investors' willingness to subscription of shares.

Article 4-2 The rights and obligations of the Company's Preferred Shares C and the main conditions of issuance are as follows:

- I. The Company's earnings distribution is handled in accordance with the Company's Articles of Incorporation. Distributable earnings shall be distributed first to Class B preferred shares in the current year or the current quarter and accumulated undistributed dividends, then dividends shall be distributed to Class C preferred shares in the current year or quarter.
- II. The annual interest rate of dividends for Class C preferred shares is 2% which is calculated based on the issue price per share and paid in cash. The ex-dividend date of dividends of the preferred shares is authorized to be set by the board of directors. The number of dividends issued in the year or in the quarter and the number of dividends received in the year or in the quarter is calculated based on the actual number of days of issuance.
- III. If the proposed dividend for the Company's common stock in the current year or quarter exceeds the dividend amount of Class C preferred shares, the holders of Class C preferred shares shall be entitled to participate in the distribution until the number of dividends per Class C preferred share is the same as the number of the dividend per common stock.
- IV. The Company has a discretionary power on the dividend distribution of Class C preferred shares. If the Company does not have earnings or insufficient earnings for distribution or if there are other necessary considerations, the Company may resolve to not distribute dividends from Class C preferred shares. Such manner does not constitute an event of default and shareholders may not object. Class C preferred shares are non-cumulative, and their undistributed or under-distributed dividends will not be accumulated in subsequent years or quarters.
- V. Holders of Class C preferred shares may, from the day after the issuance date of five years, be converted into common stock at the ratio of one preferred share to one common stock (conversion ratio 1:1). The rights and obligations (except for conversion restrictions and unlisted shares prescribed by laws and regulations) of the converted common stock from Class C preferred shares are the same as the Company's other issued common stock. Preferred Shares C that have been converted into Common shares prior to the annual or quarterly ex-rights (dividend) date of conversion are entitled to participate in the distribution of Common shares earnings and reserves in the current year or current quarter, but may not participate in dividend distributions of preferred shares in the current year or the current quarter. Preferred Shares C that have been converted into Common shares prior to the annual or quarterly ex-rights (dividend) date of conversion are entitled to participate in the distribution of preferred dividend and reserves in the current year or current quarter, but may not participate in dividend distributions of Common shares and capital surplus in the current year or the current quarter. Preferred dividends and common stock dividends of the same year or quarter are distributed on a non-recurring basis.
- VI. Holders of Class C preferred shares do not have voting rights at common stock shareholders meeting nor do they have the voting rights to elect a director (independent directors included); however, holders of Class C preferred shares have voting rights regarding matters concerning shareholders rights of Class C preferred shares at shareholders meeting of preferred shares.
- VII. Preferred Shares B shall have priority over the common shares and Preferred Shares C in the order of distribution of the Company's remaining property, provided that the amount of each share receives does not exceed the issued price plus the total amount of unpaid dividends payable.
- VIII. There is no expiration date for Class B preferred shares. Holders of Class C preferred shares do not have the right to demand redemption of Class C preferred shares or demand the Company for an early conversion of preferred shares to common stock. However, the Company may redeem all or part of the Class C preferred shares at their

original issue price at any time after the expiration of three years from the date of issuance by cash, mandatory conversion of new issue of shares or other methods permitted by laws and regulations. The rights and obligations shall continue under the conditions of the issuance of Class C preferred shares until they are redeemed by the Company. In the year in which Class C preferred shares are to be redeemed, if the Company's shareholders' meeting has resolved to issue dividends, the dividends shall be paid up to the date when Class B preferred shares are redeemed, and shall be calculated on the basis of the actual number of issuance days in the year.

- IX. Upon the issuance of new shares of common stock by cash capital increase, holders of Class C preferred shares have the same preferred stock options as common stock shareholders.
- X. During the issuance period, Class C preferred shares are not listed for trading. However, where Class C preferred shares are fully or partly converted to common stock, the board of directors are authorized to apply for public trading from the competent authority in accordance with relevant regulations depending on the current situation.

The Board of Directors is authorized to determine the name, issuance date and specific conditions of issuance of Preferred Shares C in accordance with the Company's Articles of Incorporation, and relevant laws and regulations depending on the market situation and investors' willingness to subscription of shares.

Article 5 The Company's shares are all registered. Share certificates shall be affixed with the signatures and personal seals of three or more of the Company's Directors with the serial numbers assigned. In accordance with the laws, it shall be certified by the certifying institutions appointed by the competent authority before issuance. Taiwan Depository and Clearing Corporation may request to integrate and exchange to issue the large par value securities. The Company may deliver the shares through the book-entry system with Non-physical shares according to the laws. The issuance of other securities shall apply the same. The shares issued by the Company may be exempt from printing shares with the registration of the centralized securities depository corporation.

Article 5-1 deleted.

Article 6 The Company shall conduct the shares matters according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the relevant laws announced by the competent authority.

Article 7 deleted.

Article 8 deleted.

Article 9 The share transfer registration shall be suspended 60 days prior to the Annual General Shareholders' Meeting, 30 days prior to the Extraordinary Shareholders' Meeting, or within 5 days prior to the date set by the Company for the distribution of dividends, bonus, or other benefits.

Chapter 3 Operations

Article 10 The Company's business is listed as the left:

- (I) IC and various types of the semiconductor's parts and components.
- (II) Various types of PCB for electronic, computer and communication.
- (III) Hardware, software, systems and peripheral equipment for computer and communication products.
- (IV) Research and development, design, manufacture, assembly, processing, testing and after-sales service of the aforesaid products.
- (V) General import and export trade business (except for licensing business).

Article 11 The Company may provide external guarantee business for the companies in the same industry.

Chapter 4 Shareholders' Meeting

Article 12 The Shareholders' Meeting is divided into General Meeting and Extraordinary Meeting. The General Meeting shall be held once a year within 6 months after the end of fiscal year. The Extraordinary Shareholders' Meeting shall be held in accordance with the relevant laws when necessary; the Extraordinary Shareholders' Meeting shall be convened by the Board of Directors in accordance with the relevant laws when necessary.

Article 13 The resolution of the Shareholders' Meeting shall, unless otherwise provided by the Company Act, be attended by the Shareholders who represent more than half of the total number of the shares issued, and shall be approved by more than half of voting rights represented by the attending Shareholders.

Article 14 The Company's shareholders are entitled to one vote for each share in their possession, except preferred shares, which the Articles of Incorporation provides otherwise. However, shares specified under the circumstances under Article 179 of the Company Act are not entitled to any vote.

Article 15 When a Shareholder is unable to attend the Shareholders' Meeting for reasons, he or she may execute a power of attorney prepared by the Company, and state the scope of delegation to appoint a proxy to attend the Shareholders' Meeting. In addition to the provisions of Article 177 of the

Company Act, the method of shareholders' proxy attendance shall be in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authorities.

- Article 16 The resolution of the Shareholders' Meeting shall be included into the meeting minutes, which shall be affixed with the Chairman's signature or personal seal and distributed to all Shareholders within 20 days after the meeting. The distribution of the meeting minutes stated in the preceding paragraph shall be in accordance with Article 183 of the Company Act. The meeting minutes shall record the year, month, date and place of the meeting, the Chairman's name, the resolution method and the essentials of the meeting and its results. The meeting minutes shall be kept together with the sign-in book and the power of attorney in the Company.
- Article 16-1 The Shareholders' Meeting shall be convened by the Board of Director and the Chairman shall chair the meeting. When the Chairman is absent, the Chairman shall appoint one of the Directors to represent. If the Chairman did not appoint, one of the Directors shall be elected as Chairman. If the meeting is convened by a person other than someone from the Board of Directors, such convener shall act as the Chairman. If there are two or more conveners, one of them shall be recommended as Chairman.

Chapter 5 Directors

- Article 17 The Company has set up 5 to 9 Directors, including at least 3 Independent Directors with the 3-year term, who shall be elected among the persons with disposing capacity by the Shareholders' Meeting and shall be re-elected. The elections of Directors shall adopt the candidate nomination system. The nomination acceptance methods for the candidates of the Directors and its announcement shall be subject to the applicable regulations of the Company Act and the Securities and Exchange Act. Independent Directors and Non-Independent Directors shall conduct elections together and calculate the number of elected seats, respectively. However, the total number of registered shares held by the Directors other than Independent Directors shall be subject to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" published by the competent authority. For the remuneration of all Directors of the Company, the Board of the Director is authorized to resolve it according to their participation in the Company's operation, the contribution value to the Company and the reference to the standard in the same industry.
- Article 17-1 When the vacancy of the Directors reaches one-thirds, the Board of Director shall hold the Extraordinary Shareholders' Meeting within 60 days to conduct by-election; and the term shall be the remaining period of the current term.
- Article 17-2 The convening of the Company's Board Meeting may be notified by writing, e-mail or fax.
- Article 17-3 The Company may purchase the liability insurance for the Directors and the Supervisors against the indemnification that shall be liable in accordance with the law in the execution of their duties during their term of office in order to reduce and mitigate the risk of material damage to the Company and Shareholders due to errors or negligence. The Board of Directors is authorized to handle the insurance-related matters.
- Article 17-4 The Company shall establish the Audit Committee, and may establish other functional committee. The Audit Committee shall be constructed by all Independent Directors. Its members shall not be less than three persons; one of them shall be the convener; and at least one person shall have the professional in accounting or finance field.
The Audit Committee shall be responsible for executing the Supervisors' authority stipulated in the Company Act, the Securities and Exchange Act and other laws and shall comply with the relevant laws and the Article of Incorporation.
- Article 18 The Company sets up one Chairman and shall be mutually elected from among the Directors according to law. The Chairman shall represent the Company externally and shall be responsible for all decisions of the Company. If the Chairman is on leave or unable to exercise the duties for certain reasons, the Chairman shall appoint one of the Directors to represent. If the Chairman did not appoint the representative, one of the Directors shall be recommended to represent.
- Article 19 Unless otherwise provided by the Company Act, the resolution of the Board Meeting shall be attended by more than half of the Directors and approved by more than half of the Directors present. When a Director is unable to attend the Board of Directors' meeting for reasons, he or she may conclude the power of attorney that lists the scope of delegation for the meeting to delegate other Directors to attend, but one person shall only be delegated by one person.
- Article 20 All the Company's business shall be submitted to the president for execution after the resolution of the Board of Directors. the Board of Directors shall be responsible for the supervision and evaluation.
- Article 21 deleted.

Chapter 6 Managers and Consultants

- Article 22 The company may set up a manager; his appointment, dismissal and compensation shall be subject to the Article 29 of the Company Act.

- The Company's manager has the authority of managing affairs and signatures within the scope of the delegation stipulated in the Articles of Incorporation or contract.
- Article 23 The Company may employ a number of consultants with the resolution of the Board of Directors.

Chapter 7 Accounting

- Article 24 The Company's fiscal year is from January 1 to December 31 of each year.
- Article 25 At the end of each fiscal year, the Company's Board of Director shall prepare the following reports and shall report to the Annual General Shareholders' Meeting for recognition:
- I. Business report.
 - II. Financial statements.
 - III. Proposal for earnings distribution or deficit compensation.
- Article 26 The Company shall first reserve the amount of the accumulated loss from the profit before tax of the year prior to deducting the compensation of the Employees and remuneration of the Directors. In the event of there being some remaining profit, it shall set aside 10% to 15% for the compensation of the Employees and not higher than 1% for the remuneration of the Directors. The distribution ratios for the compensation of the Employees and the remuneration of the Directors as well as the distribution form by stock or cash shall be determined by the Board of Directors with the attendance of two-thirds or more of the Directors and resolution of one-half or more of the attending Directors, and it shall be reported to the Shareholders' Meeting. The counterparty of the Employees' compensation with stock or cash may include the Employees of the controlled or subordinate company who shall meet certain conditions.
- Article 26-1 The Company may distribute earnings or make up losses after the end of each quarter, and the distribution of earnings in cash shall be resolved by the Board Meeting and reported to the Shareholders' Meeting in accordance with Article 228-1 and Paragraph 5, Article 240 of the Company Act.
- If there is any surplus in the Company's annual final accounts, the Company shall first provide for taxes, make up for accumulated losses in previous years, and secondly provide 10% as legal reserve, and set aside or reverse the special reserve as required by law or the competent authority, and may distribute dividends to preferred shares. If there is any surplus, the remaining balance will be added to the accumulated undistributed earnings of the previous years, and the Board of Directors will prepare a proposal for distribution and submit it to the Shareholders for approval. As the Company operates in a volatile business environment, the enterprise life cycle is in the growth stage, and to take into consideration the Company's capital demand in the future, long-term financial plan and to satisfy the Shareholders' cash flow. The distribution of the earnings in the year shall not be less than 10% of the accumulated distributable earnings; however, when the accumulated distributable earnings is less than 1% of paid-in capital, it may not be distributed; in which the cash dividends shall not be less than 10% of the total dividends.

Chapter 8 Supplementary Provisions

- Article 27 The Company's total re-investment may not be subject to 40% of the paid-in capital.
- Article 28 The organizational regulations and operational regulations for the Company shall be determined by the Board of Directors, separately.
- Article 29 The items that are not specified in the Articles of Incorporation shall be subject to the Company Act and the relevant laws.
- Article 30 The Company's Article of Incorporation was established on May 27, 1971.
The first amendment was made on August, 8, 1972.
The second amendment was made on March 9, 1974.
The third amendment was made on November 11, 1975.
The fourth amendment was made on May 10, 1977.
The fifth amendment was made on November 25, 1978.
The sixth amendment was made on July 16, 1979.
The seventh amendment was made on May 13, 1980.
The eighth amendment was made on November 5, 1980.
The ninth amendment was made on July 11, 1981.
The tenth amendment was made on January 23, 1982.
The eleventh amendment was made on June 15, 1982.
The twelfth amendment was made on March 14, 1983.
The thirteenth amendment was made on January 25, 1984.
The fourteenth amendment was made on April 21, 1984.
The fifteenth amendment was made on September 13, 1984.
The sixteenth amendment was made on July 1, 1985.
The seventeenth amendment was made on June 26, 1987.
The eighteenth amendment was made on December 12, 1987.
The nineteenth amendment was made on May 31, 1988.

The twentieth amendment was made on June 24, 1989.
The twenty-first amendment was made on April 8, 1990.
The twenty-second amendment was made on November 6, 1990.
The twenty-third amendment was made on June 15, 1991.
The twenty-fourth amendment was made on May 30, 1992.
The twenty-fifth amendment was made on May 29, 1993.
The twenty-sixth amendment was made on November 20, 1993.
The twenty-seventh amendment was made on June 11, 1994.
The twenty-eighth amendment was made on September 28, 1994.
The twenty-ninth amendment was made on June 10, 1995.
The thirtieth amendment was made on May 20, 1996.
The thirty-first amendment was made on May 22, 1997.
The thirty-second amendment was made on May 22, 1998.
The thirty-third amendment was made on June 14, 2000.
The thirty-fourth amendment was made on June 19, 2001.
The thirty-fifth amendment was made on June 19, 2002.
The thirty-sixth amendment was made on June 27, 2003.
The thirty-seventh amendment was made on April 28, 2004.
The thirty-eighth amendment was made on June 14, 2005.
The thirty-ninth amendment was made on June 14, 2006.
The fortieth amendment was made on June 21, 2007.
The forty-first amendment was made on June 15, 2010.
The forty-second amendment was made on June 15, 2012.
The forty-third amendment was made on May 6, 2015.
The forty-fourth amendment was made on June 22, 2016.
The forty-fifth amendment was made on June 18, 2019.
The forty-sixth amendment was made on June 18, 2020.
The forty-seventh amendment was made on December 3, 2020.
The forty-eighth amendment was made on July 15, 2021.

Orient Semiconductor Electronics, Ltd.

Chairman: Yueh-Ming Tung

Orient Semiconductor Electronics, Ltd.

Rules of Procedure for Board of Directors Meetings

Approved on March 24, 2006
 December 22, 2006 Amendment Announcement
 June 21, 2007 Amendment Announcement
 May 27, 2008 Amendment Announcement
 June 15, 2010 Amendment Announcement
 June 11, 2013 Amendment Announcement
 June 29, 2018 Amendment Announcement
 August 13, 2019 Amendment Announcement

Article 1 (Basis of these Rules)

In order to create a sound shareholders' governance system, normalize the supervisory function, and strengthen the management feature, the Company created these Rules to be followed in compliance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 (Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 3 (Convening and notice of board meetings)

The board of directors shall meet at least quarterly. Which shall be specified in the Meeting Rules.

To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. A meeting shall be convened at any time in case of emergency. The notice stated in the preceding paragraph may be effective by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4 (Meeting notification and meeting materials)

The designated unit responsible for the board meetings of the Company shall be Accounting Department.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5 (Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6 (Principles for determining the place and time of a board meeting)

A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7 (Chair and acting chair of a board meeting)

Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice

chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 8 (Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants

When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements. However, they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 (Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10 (Agenda items)

Agenda items for regular board meetings of the Company shall include at least the following:

- I. Report items:
 - (I) Minutes of the last meeting and action taken.
 - (II) Important financial and business matters.
 - (III) Internal audit activities.
 - (IV) Other important matters to be reported.
- II. Discussion:
 - (I) Items for continued discussion from the last meeting.
 - (II) Items for discussion at this meeting.
- III. Extempore motions

Article 11 (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.

Article 12 (Matters requiring discussion at a board meeting)

The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:

- I. The Company's business plan.
- II. Annual and semi-annual financial reports. With the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the

acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.

- V. The offering, issuance, or private placement of any equity-type securities.
- VI. The appointment or dismissal of a financial, accounting, or internal auditing officer.
- VII. Donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
- VIII. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.

At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 13 (Voting-I)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

- I. A show of hands or a vote by voting machine.
- II. A roll call vote.
- III. A vote by ballot.
- IV. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14 (Voting-II and methods for vote monitoring and counting)

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

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

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15 (Recusal system for directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 3 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 16 (Meeting minutes and sign-in matters)

Discussions at a board meeting of the Company shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- I. The meeting session (or year) and the time and place of the meeting.
- II. The name of the chair.
- III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minute taker.
- VI. The matters reported at the meeting.
- VII. Discussions items: The method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons. The name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and opinions expressing objections or reservations at the meeting that were included in records or stated in writing and as required in Article 12 Paragraph 5, opinions expressed by the independent directors shall be included in writing.
- VIII. Extraordinary Motions: The name of mover, the method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
- IX. Other matters that require reporting.
The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:
 - (I) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
 - (II) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.

The minutes of a Board of Directors meeting shall bear the signature or seal of both the chairperson and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 17 (Supplementary Rules)

The formulation and amendments of these Meeting Rules shall be approved by the Company's board of directors and reported at the shareholders' meeting. The board of directors have been authorized to resolve any future amendment.

Orient Semiconductor Electronics, Ltd. Ethical Corporate Management Best Practice Principles

Established on May 7, 2020

Article 1 (Purpose of establishment and scope of application)

These Principles are adopted to foster the Company's corporate culture of ethical management and sound development for establishing good commercial practices. These Principles are applicable for subsidiaries which the Company directly or indirectly holds 50% or more of stake (collectively referred to as the "Company" hereinafter).

Article 2 (Prohibition of any unethical conduct)

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3 (Benefits)

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Compliance with laws and regulations)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Policy)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 (Prevention programs)

In addition to promoting the management concept and policy listed in the preceding article in a timely manner, preventive measures of operational procedures and guidelines, and education and training must be formulated by the Company when necessary.

When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating. The Company is also advised to negotiate with staff, important trading counterparties, or other stakeholders.

Article 7 (Scope of prevention programs)

When the Company establishes preventive measures, the operating scope of operating activities containing higher risk of unethical behavior shall be analyzed and evaluated and related preventive measures shall be strengthened.

The preventive measures of the preceding paragraph shall contain at least the following:

- I. Offering and acceptance of bribes.
- II. Illegal political donations.

- III. Improper charitable donations or sponsorship.
- IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
- V. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
- VI. Engaging in unfair competitive practices.
- VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services

Article 8 (Committee and execution)

The Company shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9 (Ethical commercial activities)

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company is advised to include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 (Prohibition of engagement in bribery)

When conducting business, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11 (Prohibition of provision of non-political donations)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 (Prohibition of improper donations or sponsorship)

When making or offering donations and sponsorship, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 (Prohibition of unreasonable presents, hospitality or other improper benefits)

The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 (Prohibition of infringement to intellectual property rights)

The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15 (Prohibition of engagement in unfair competitions)

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 (Prevention of products or services damaging stakeholders)

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17 (Organization and responsibility)

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To ensure proper integrity management, the Company shall appoint a dedicated unit that specializes in the establishment, supervision, and execution of the Business Integrity Code of Conduct and Prevention. If material violation occurs, the board of directors shall be notified.

Article 18 (Compliance with laws and regulations when conducting business)

The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 (Recusal)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other persons.

Article 20 (Accounting and internal control)

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The Company's internal auditors shall audit the compliance of the system of the preceding paragraph on a

regular basis and compile an audit report to submit to the board of directors.

Article 21 (Operational procedures and conduct guidelines)

Where the Company establishes preventive measures in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

- I. Standards for determining whether improper benefits have been offered or accepted.
- II. Procedures for offering legitimate political donations.
- III. Procedures and the standard rates for offering charitable donations or sponsorship.
- IV. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
- V. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
- VI. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
- VII. Handling procedures for violations of these Principles.
- VIII. Disciplinary measures on offenders.

Article 22 (Training and appraisals)

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall organize training and awareness programs in a timely manner for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23 (Whistle-blowing system)

The Company has established whistle-blowing mailboxes (email box: 580@ose.com.tw and csr@ose.com.tw). For those who make a report on violation of unethical conduct, the identity of the whistle-blower and the content of the matter will be kept confidential by the Company. The Company gives penalty to the offender in accordance with the Work Rules, Employee Reward and Penalty Operation Management Procedures, and related laws and regulations.

Article 24 (Information disclosure)

The Company shall disclose the measures taken for implementing ethical corporate management, the status of implementation on the Company website, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 25 (Reviews and improvements of ethical corporate management policies and measures)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 26 (Implementation)

The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be submitted at the shareholders' meeting. The same procedure shall be followed when the principles have been amended.

Orient Semiconductor Electronics, Ltd.

V. Shareholding Status of All Directors

Base Date: April 11, 2023

Position	Name	Date Elected	Shareholding While Elected			Current Shareholding			Remarks
			Type	Number of Shares	Shareholding Ratio (%) at the time	Type	Number of Shares	Shareholding Ratio (%) at the time	
Chairman	Yueh-Ming Tung	2021.07.15	Common shares	534,739	0.10%	Common shares	534,739	0.10%	
Director	CHIPBOND TECHNOLOGY CORPORATION Representative: Huo-wen Gao	2021.07.15	Common shares	163,995,498	29.45%	Common shares	163,995,498	29.53%	
Director	CHIPBOND TECHNOLOGY CORPORATION Representative: Shi-wei Luo		Preferred Shares B	90,090,000	100.00%	Preferred Shares B	90,090,000	100.00%	
			Preferred Shares C	180,180,000	100.00%	Preferred Shares C	180,180,000	100.00%	
Independent Director	Ching-Tien Tsai	2021.07.15	Common shares	0	0.00%	Common stock	0	0.00%	
Independent Director	Jerry Chiou	2021.07.15	Common shares	0	0.00%	Common stock	0	0.00%	
Independent Director	Jia-Hua Hsu	2021.07.15	Common shares	0	0.00%	Common stock	0	0.00%	
Total			Common shares	164,530,237		Common shares	164,530,237		
			Preferred Shares B	90,090,000		Preferred Shares B	90,090,000		
			Preferred Shares C	180,180,000		Preferred Shares C	180,180,000		

Total Number of Common Stocks Issued on July 15, 2021	556,861,033	Shares
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Total number of privately placed Class B preferred shares as of July 15, 2021:	90,090,000	Shares
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Total number of privately placed Class C preferred shares as of July 15, 2021:	180,180,000	Shares
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Total Number of Common Stocks Issued on April 11, 2023:	555,308,333	Shares
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Total number of privately placed Class B preferred shares as of April 11, 2023:	90,090,000	Shares
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Total number of privately placed Class C preferred shares as of April 11, 2023:	180,180,000	Shares
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Note: the minimum shareholdings of all Directors required by law:	26,418,506	Shares;
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the number of shares held by all directors as a whole as of April 11, 2023:	434,800,237	Shares.
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The Company has an Audit Committee, so there is no statutory shareholding for Supervisors.

◎ The shares held by Independent Directors shall not be counted in the calculation of Directors' shareholdings.

Other description items

Description of the handling of shareholder proposals for this general shareholders' meeting

Description:

According to Article 172-1, shareholders holding 1% or more of the total issued shares of the Company may submit a proposal in writing to the regular shareholders' meeting.

The Company did not receive any proposal from shareholders during the acceptance period between March 21, 2023 and March 31, 2023.