



Orient Semiconductor Electronics, Ltd. 2024 Annual Meeting of Shareholders (Translation)

Meeting Handbook

Meeting Type: Physical shareholders' meeting

Time: June 7, 2024 (Friday) at 9 a.m.

Location: 1F, No. 9 Central 3rd Street, Nan-Zih District Kaohsiung, Taiwan
(1F of the OSE Headquarters / Conference Hall)

(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.)

Orient Semiconductor Electronics, Ltd. (the “Company”)
2024 Annual Meeting of Shareholders
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I. Meeting Procedure

Orient Semiconductor Electronics, Ltd. 2024 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Ratification Items
5. Election Items
6. Other Proposals
7. Extraordinary Motions
8. Adjournment

II. Meeting Agenda

Orient Semiconductor Electronics, Ltd.

Agenda for 2024 Annual Meeting of Shareholders

Time: June 7, 2024 (Friday) at 9 a.m.

Location: 1F, No. 9 Central 3rd Street, Nan-Zih District Kaohsiung, Taiwan
(1F of the OSE Headquarters / Conference Hall)

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
 - (1) 2023 Business Report.
 - (2) 2023 Audit Committee's Review Report.
 - (3) 2023 Directors' Remunerations and Employees' Compensation.
 - (4) The Cash Distribution of 2023 earnings.
 - (5) Amendments to the "Rules of Procedure for Board of Directors' Meeting."
4. Ratification Items
 - (1) To adopt 2023 Business Report and Financial Statements.
 - (2) To adopt the proposal for 2023 earnings distribution.
5. Election Items
 - (1) To advance the election of all Directors and Independent Directors of the Company.
6. Other Proposals
 - (1) To release non-competition restriction on Directors and representatives.
7. Extraordinary Motions
8. Adjournment

1.Report Items

Item 1 : 2023 Business Report, submitted for review.

Explanation: 2023 Business Report is attached hereto as Attachment 1. (page.8-11)

Item 2 : Audit Committee's Review Report on 2023 Audited Financial Statements, submitted for review.

Explanation: The Audit Committee's Review Report is attached hereto as Attachment 2. (page.12)

Item 3 : 2023 Directors' Remunerations and Employees' Compensation, submitted for review.

Explanation:

- 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 2023 profit (meaning current income before tax before deducting employee and director remuneration, net of accumulated loss) amounted to NT\$2,491,991,165, of which 10%~15% and no greater than 1% was distributed as remuneration to employees and directors, respectively, representing NT\$249,200,000 and NT\$24,910,000, respectively - all paid in cash.
- III. The accrued employee remuneration and director remuneration agreed with the recognized amount for 2023.
- IV. Such motion was resolved in favor at the Board meeting dated January 31, 2024.

Item 4 : The Cash Distribution of 2023 earnings, submitted for review.

Explanation:

- 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 2023; each common share and each privately-offered Class C preferred share is entitled to NT\$1.20, totaling 882,586,000.
- 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.

**Item 5 : Amendments to the “Rules of Procedure for Board of Directors’ Meetings”,
submitted for review.**

Explanation:

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. 1120383996 dated January 11, 2024. For the comparison table of clauses of the “Rules of Procedure for Board of Directors’ Meetings” before and after amendment, see Attachment 3. (pages.13-14)

2.Ratification Items

Item 1 : To adopt 2023 Business Report and Financial Statements. [Proposed by the Board of Directors]

Explanation:

- I. The Company's 2023 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 8-11)]
 2. Auditor's report of the parent company only financial statements [please refer to Attachment 4 (page 15-21)]
 3. Parent Company Only Financial Statements [Please refer to Attachments 5~8 (page 16-27)]
 4. For independent auditors' report on the consolidated financial statements [Please refer to Attachment 9 (page 28-34)]
 5. Consolidated financial statements [Please refer to Attachments 10~13 (page 35-40)]

Resolutions:

Item 2 : To adopt the proposal for 2023 earnings distribution. [Proposed by the Board of Directors]

Explanation:

- I. The Board Meeting held on March 27, 2024 resolved to approve the 2023 earnings distribution proposal and sent it to the Audit Committee for review and completion.
Please refer to Attachment 14. (page 41)
- II. Please approve.

3.Election Items

Item 1 : To advance the election of all Directors and Independent Directors of the Company.[Proposed by the Board of Directors]

Explanation:

- I. The terms of office of the 18th Board of Directors and Independent Directors will expire on July 14, 2024.
- II. In accordance with the Company's Articles of Incorporation, eight Directors (including five Independent Directors) are proposed to be elected for the 19th term of three years from June 7, 2024 to June 6, 2027, when the new Directors and Independent Directors are elected.
- III. The Company's Director elections adopt a candidate nomination system. Please refer to Attachment 15 (page 44) for the list of Director & Independent Director Candidates.

Resolution:

4.Other Proposals

Item 1 : To release non-competition restriction on Directors and representatives. [Proposed by the Board of Directors]

Explanation:

- I. According to Article 209 in the Company Act: "A Director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of Shareholders the essential contents of such an act and secure its approval." It is hereby proposed to release non-competition restriction on the 19th Directors (including Independent Directors') and representatives.
- II. List of Proposed Release of Non-Competition Restriction on Directors, please refer to Attachment 16. (page 44)

Resolution:

5.Extraordinary Motions

6. Adjournment

2023 Business Report

2023 Business Report

The global COVID-19 pandemic has subsided slightly, but the ongoing Ukraine-Russia war, the outbreak of the Israel-Hamas conflict, the impacts of interest rate hikes and inflation, geopolitical issues, adjustments in semiconductor demand, reduced production, and price hikes in memory products have had a significant impact on the market, also slowing down the recovery momentum of the overall electronics industry. The Company aggressively adapted to challenges and continued to focus on core businesses, providing IC packaging and testing services (Semiconductor Group) and professional semiconductor OEM services (Electronics Manufacturing Services Group) to clients 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. Although the first half of 2023 was affected by multiple factors, leading to a slowdown in the overall economic recovery and a downward adjustment of customer orders, in the second half of the year, as flash memory manufacturers significantly reduced production to boost flash memory prices, customers also carried out strategic inventory stocking and placed large orders, resulting in the company's annual revenue for 2023 exceeding expectations. 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. Although the overall economic recovery in 2023 slowed down, many market opportunities also emerged. In the post-pandemic era, although the business opportunity of long-distance communication has slowed down, demand for AI servers has increased. Geopolitical tensions and international conflicts have caused oil prices to rise, which has also increased demand for oil drilling, driving growth in contract manufacturing orders for oil exploration products. We 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.

This year, the definition of sustainability actions and disclosure has become clearer. Actively responding to sustainability trends will be the entrance ticket to the future. The Company strictly abides by the laws and regulations, pragmatically plans sustainability actions, attaches great importance to the attraction and development of talents, strengthens supply chain management and ethical management, and integrates with applicable sustainable disclosure standards to solidify the foundation of business and reduce various risks. The expansion of network and cloud application has also made the requirements for information security more stringent. This year, the Company will continue to strengthen information security management and business secrets, and optimize the system and process to ensure the rights and interests of customers and stakeholders.

Thank you for your support and trust in the Company. The Company will continue to demonstrate the spirit of "honesty, innovation, diligence, and unity" to achieve sustainable operations.

2023 Operating Results

Unit: NTD thousand

Year	2023	2022	Difference	
Operating revenue	16,690,436	15,531,669	1,158,767	7.46%
Gross profit from operations	3,315,300	2,522,924	792,376	31.41%
Net operating income	2,074,147	1,433,300	640,847	44.71%
Non-operating income and (expenses)	144,148	334,988	(190,840)	(56.97)%
Profit before income tax	2,218,295	1,768,288	450,007	25.45%
Income tax expense	(337,085)	(319,635)	(17,450)	5.46%
Profit for the period	1,881,210	1,448,653	432,557	29.86%

The Company's 2023 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 the second half of 2022, the semiconductor supply chain gradually faced a cyclical downturn affected by global inflation, interest rate hikes by central banks, and geopolitical factors, global economic growth slowed down, resulting in weak end-user demand and more time for the supply chain to digest inventory. However, in 2023, market demand moderately recovered after inventory adjustments, driven by some urgent and spot orders. Benefiting from an influx of orders for AI servers, the operating revenue also grew compared to 2022. In addition, due to an increase in orders, reduced unit costs driven by higher utilization rates, and proper control of labor and manufacturing costs, the gross profit and operating income for the current period increased.

In summary, when compared with the 2022 level, 2023 operating revenue grew by 7.46%; operating cost increased by 2.82%; gross operating profit grew by 31.41%; and net operating profit grew by 44.71%.

II. Non-operating income and (expenses):

(1) The Company continued to strive for a sound financial structure. Affected by the central bank's interest rate hikes and an increase in time deposits, although finance costs increased by 40.21% compared to 2022, interest income increased by 315.56%;

(2) The USD exchange rate was appreciating in 2022 but turned to depreciate in 2023, with the depreciation amplitude in 2023 surpassing the appreciation in 2022, causing the net foreign exchange gain to decrease by 142.8%;

(3) In 2023, the income from disposal of assets and project grants decreased, resulting in a decrease of 18.10% in other income and gains;

In summary, non-operating revenue decreased by 56.97% from last year's level.

III. The future business strategy will focus on continuing to refine our product portfolio and strive to aggressively expand our revenue base, increase our utilization rate, reduce costs and add income sources.

Financial Income/Expenses and Profitability Analysis

Analysis item		Financial analysis for the most recent two years	
		2023	2022
Financial structure	Debt-asset ratio%	38.95	42.46
	Ratio of Long-term funds to Property, Plant, and Equipment (%)	250.47	234.88
Profit Ability	Return on assets%	10.79	8.65
	Return on equity (%)	17.90	15.47
	Profit margin before tax%	11.27	9.33
	Earnings per share(NTD)	2.66	2.02

Research and Development

The R&D expenditure of 2023 was NT\$386,747 thousand.

Semiconductor Group:

In addition to continuously validating and introducing mass production for each 3D NAND flash process, products related to the wafer-level packaging process were also successfully validated and introduced into mass production. We also introduce the development of advanced wafer-level packaging products, fan-out packaging, and conduct process and product development for the third generation of semiconductors targeting electric vehicles. 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, considering the transfer of customers' advanced technologies, the Company has developed a technology level that exceeds the highest class 3 quality standards in the industry, suitable for applications in the petroleum exploration, aerospace, satellites, and other fields. 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.

Outline of 2024 Business Plan

The Company continues to focus on the flash memory market and selects advantageous domestic and international strategic partners. In addition to continuous research and development on packaging and testing services for 5G, Internet of Things, AI, and automotive electronics related products, the Company will also leverage its bumping product line to develop high-end wearable products. To reduce risks and solidify a foundation for development, the Company continues to pay attention to the addition of domestic and foreign environmental protection and sustainability regulations, review and comply with relevant regulations, integrate internal and external resources, and plan the attraction and cultivation of talents to effectively maintain competitive advantages.

Looking into 2024, 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 Group 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. Adopt intelligent production management system.
- V. Develop high end SiP manufacturing process and market.
- VI. Evaluate and verify low-carbon materials.
- VII. Aggressively tap into the market for automotive electronics.
- VIII. Develop customers in the server semiconductor business.
- IX. Assess the use of relevant recycled materials.

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 2024:

- 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.

Key Strategies for Future Development

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.

Impacts of External Competition, the Legal Environment, and the Overall Business Environment

To adapt to domestic and foreign environments and their impact on the market and economy, the Company will continue collaborating 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.

With the impact of global climate change, a number of international initiatives, the integration and clarification of various information disclosure standards, it is expected that the requirements of sustainability issues will gradually affect the electronics industry, supply chain, and production activities. The Company attaches great importance to environmental, social and corporate governance issues, and will continue to comply with domestic and foreign regulations, collect international and industrial information, assess various sustainable actions and risks, promote pragmatic and continuous improvement, and actively respond to the impacts and opportunities brought by various changes.

Looking forward to 2024, there are still many uncertainties in the international situation, economy and environment, which bring challenges and also opportunities for development. The Company will continue to refine its business, pay attention to the needs of customers and stakeholders, and provide the most appropriate services. We are once again 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 2023 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 2024 Orient Semiconductor Electronics's Annual General Shareholders' Meeting

Orient Semiconductor Electronics, Ltd.
Convener of the Audit Committee: Chia-Hua Hsu

March 27, 2024

Orient Semiconductor Electronics, Limited
“Rules of Procedure for Board of Directors’ Meetings”
Comparison Table of Amendment Clauses

Article	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
Article 8	<p>(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 <u>on the same day</u>, 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.</p>	<p>(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.</p>	<p>In order to avoid disputes caused by the undetermined time of a board meeting, if the number of people in attendance is not sufficient, the chair may announce the postponement of the meeting to the same day.</p>
Article 11	<p>(Discussion of proposals) A board meeting shall follow the agenda given in the meeting notice. However, the agenda</p>	<p>(Discussion of proposals) A board meeting shall follow the agenda given in the meeting notice. However, the agenda</p>	<p>Considering practical circumstances, during the board of directors</p>

Article	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p>may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>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 5 shall apply mutatis mutandis.</p> <p><u>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 7, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u></p>	<p>may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>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 5 shall apply mutatis mutandis.</p>	<p>meeting, if the chairperson is unable to preside over the meeting or unilaterally declares the meeting adjourned without following the regulations, in order to avoid affecting the operation of the board of directors, a new paragraph 4 has been added to stipulate that the appointment of a proxy shall be in accordance with the provisions of Article 7, paragraph 3. The vice chairperson shall serve as the proxy. If there is no vice chairperson, or the vice chairperson is also on leave or unable to exercise their duties, the chairperson shall appoint a managing director to act as the proxy. If there are no managing directors, the chairperson shall appoint a director to act as the proxy. If the chairperson does not designate a proxy, the managing directors or directors shall elect one among themselves to act as the proxy..</p>

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 2023 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 2023 parent company only financial statements are stated as follows:

Existence of sales revenue recognition of top 10 customers

Description

Please refer to Note 4(29) for accounting policies on revenue recognition and Note 6(19) 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(27) of parent company only financial statements for details of accounting policies on the recognition of deferred income tax assets. As of December 31, 2023, the amount of the Company's deferred income tax assets was NTD632,524 thousand, please refer to Note 6(26) 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, constituting 0.01% of the total assets, and the credit balances of these investments accounted for using the equity method amounted to NTD 13,490 thousand, constituting 0.19% of the total liabilities as at December 31, 2022, and the comprehensive income of the investees amounted to NTD 41,929 thousand, constituting 2.79% of the total comprehensive income for the year then ended.

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 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 7, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollar)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	2,913,570	16	\$	3,314,126	20
1140	Current contract assets	6(19)		409,186	2		272,248	2
1150	Notes receivable, net	6(3)		-	-		155	-
1170	Accounts receivable, net	6(3)		4,426,389	24		2,967,570	18
1180	Accounts receivable due from related parties, net	6(3) and 7		1,355	-		38,925	-
1200	Other receivables			118,882	1		38,975	-
1210	Other receivables due from related parties	7		1,781	-		1,865	-
1220	Current tax assets			3,194	-		-	-
130X	Current inventories	6(4)		1,483,440	8		1,559,517	9
1410	Prepayments			86,896	-		99,910	-
1479	Other current assets, others			28,692	-		20,969	-
11XX	Current assets			9,473,385	51		8,314,260	49
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		4,022	-		10,613	-
1550	Investments accounted for using equity method	6(5)		3,029,335	16		2,138,629	13
1600	Property, plant and equipment	6(6) and 8		5,049,224	27		5,173,917	31
1755	Right-of-use assets	6(7)		146,307	1		166,755	1
1780	Intangible assets	6(9)		80,415	1		47,163	-
1840	Deferred tax assets	6(26)		632,524	4		971,147	6
1915	Prepayments for business facilities			25,276	-		20,581	-
1920	Guarantee deposits paid	8		34,068	-		16,291	-
1990	Other non-current assets, others			2,138	-		1,501	-
15XX	Non-current assets			9,003,309	49		8,546,597	51
1XXX	Current tax assets		\$	18,476,694	100	\$	16,860,857	100

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollar)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(19)	\$ 87,187	1	\$ 77,872	1
2170	Accounts payable		3,925,757	21	2,920,733	17
2180	Accounts payable to related parties	7	1,494	-	855	-
2200	Other payables	6(11)	1,370,653	7	1,257,121	7
2220	Other payables to related parties	7	19,781	-	20,000	-
2230	Current tax liabilities		-	-	113,131	1
2250	Current provisions		46,477	-	14,439	-
2280	Current lease liabilities		25,400	-	27,958	-
2320	Long-term liabilities, current portion	6(12) and 8	107,054	1	-	-
2365	Current refund liabilities		4,481	-	21,068	-
2399	Other current liabilities, others	7	160,760	1	131,823	1
21XX	Current liabilities		5,749,044	31	4,585,000	27
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(12) and 8	1,131,908	6	1,148,962	7
2580	Non-current lease liabilities		108,460	1	133,352	1
2635	Non-current preference share liabilities	6(14)	-	-	1,003,851	6
2640	Net defined benefit liability, non-current	6(13)	178,046	1	185,658	1
2645	Guarantee deposits received		35,393	-	39,768	-
2650	Credit balance of investments accounted for using equity method	6(5)	-	-	13,490	-
25XX	Non-current liabilities		1,453,807	8	2,525,081	15
2XXX	Liabilities		7,202,851	39	7,110,081	42
Equity						
	Share capital	6(14)(16)				
3110	Ordinary share		5,553,083	30	5,553,299	33
3120	Preference share		1,801,800	10	1,801,800	11
	Capital surplus	6(17)				
3200	Capital surplus		238,387	1	238,171	1
	Retained earnings	6(18)				
3310	Legal reserve		346,070	2	192,241	1
3320	Special reserve		192,793	1	157,357	1
3350	Unappropriated retained earnings		3,007,624	16	2,000,701	12
	Other equity interest					
3400	Other equity interest		134,086	1	(192,793)	(1)
3XXX	Equity		11,273,843	61	9,750,776	58
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 18,476,694	100	\$ 16,860,857	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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
Items	Notes		2023		2022	
			AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7		\$ 16,468,033	100	\$ 15,227,957	100
5000 Operating costs	6(4)(9)(24)(25) and 7	(	13,124,547)	(80)	(12,721,360)	(83)
5900 Gross profit from operations			3,343,486	20	2,506,597	17
Operating expenses	6(9)(24)(25)					
6100 Selling and administrative expenses		(	823,290)	(5)	(706,379)	(5)
6300 Research and development expenses		(	386,747)	(2)	(340,002)	(2)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)		6,658	-	(7,827)	-
6000 Operating expenses		(	1,203,379)	(7)	(1,054,208)	(7)
6500 Net other income (expenses)	6(7)		1	-	54	-
6900 Net operating income			2,140,108	13	1,452,443	10
Non-operating income and expenses						
7100 Interest income	6(20)		32,203	-	11,942	-
7010 Other income	6(21) and 7		36,494	-	81,749	-
7020 Other gains and losses	6(22)	(	52,127)	-	130,294	1
7050 Finance costs	6(23)	(	36,326)	-	(25,820)	-
7070 Share of profit of associates and joint ventures accounted for using equity method	6(5)		97,529	-	107,144	1
7000 Non-operating income and expenses			77,773	-	305,309	2
7900 Profit before income tax			2,217,881	13	1,757,752	12
7950 Income tax expense	6(26)	(	336,671)	(2)	(309,099)	(2)
8200 Profit for the year			\$ 1,881,210	11	\$ 1,448,653	10
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 (Losses) gains on remeasurements of defined benefit plans	6(13)	(\$	74,821)	-	\$ 120,460	1
8316 Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(2)	(	6,591)	-	(7,185)	-
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(5)		320,778	2	(65,051)	(1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)		16,282	-	(24,002)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss			255,648	2	24,222	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation	6(5)		811	-	37,794	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(26)		10,563	-	(7,819)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss			11,374	-	29,975	-
8300 Other comprehensive income		\$	267,022	2	\$ 54,197	-
8500 Total comprehensive income		\$	2,148,232	13	\$ 1,502,850	10
Basic earnings per share						
9750 Basic earnings per share	6(27)	\$	2.66		\$ 2.02	
9850 Diluted earnings per share		\$	2.54		\$ 1.94	

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Share capital			Retained earnings			Other equity interest			
								Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on remeasurements of defined benefit plan	Total equity
	Notes	Ordinary share	Preference share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
<u>Year ended December 31, 2022</u>											
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) for the year		-	-	-	-	-	96,368	29,975	(72,146)	-	54,197
Total comprehensive income (loss)		-	-	-	-	-	1,545,021	29,975	(72,146)	-	1,502,850
Distribution of 2021 earnings:	6(18)										
Legal reserve		-	-	-	138,522	-	(138,522)	-	-	-	-
Special reserve		-	-	-	-	50,369	(50,369)	-	-	-	-
Cash dividends		-	-	-	-	-	(733,916)	-	-	-	(733,916)
Share-based payment transactions	6(15)	(1,020)	-	483	-	-	-	-	-	7,523	6,986
Disposal of investments accounted for under the equity method		-	-	2,791	-	-	-	-	-	-	2,791
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(2)	-	-	-	-	-	(6,734)	-	6,734	-	-
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
<u>Year ended December 31, 2023</u>											
At January 1, 2023		\$ 5,553,299	\$ 1,801,800	\$ 238,171	\$ 192,241	\$ 157,357	\$ 2,000,701	(\$ 11,936)	(\$ 180,857)	\$ -	\$ 9,750,776
Profit for the year		-	-	-	-	-	1,881,210	-	-	-	1,881,210
Other comprehensive (loss) income for the year		-	-	-	-	-	(59,857)	11,374	315,505	-	267,022
Total comprehensive income		-	-	-	-	-	1,821,353	11,374	315,505	-	2,148,232
Distribution of 2022 earnings:	6(18)										
Legal reserve		-	-	-	153,829	-	(153,829)	-	-	-	-
Special reserve		-	-	-	-	35,436	(35,436)	-	-	-	-
Cash dividends		-	-	-	-	-	(625,165)	-	-	-	(625,165)
Share-based payment transactions	6(15)	(216)	-	216	-	-	-	-	-	-	-
At December 31, 2023		\$ 5,553,083	\$ 1,801,800	\$ 238,387	\$ 346,070	\$ 192,793	\$ 3,007,624	(\$ 562)	\$ 134,648	\$ -	\$ 11,273,843

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,217,881	\$ 1,757,752
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(24)	939,356	1,095,887
Amortization expense	6(9)(24)	48,235	26,554
(Gain) loss on expected credit impairment	12(2)	(6,658)	7,827
Losses on financial assets at fair value through profit or loss	6(22)	-	1,261
Interest expense	6(23)	36,326	25,820
Interest income	6(20)	(32,203)	(11,942)
Share-based payments	6(15)	-	6,986
Share of profit of associates and joint ventures accounted for using the equity method	6(5)		
		(97,529)	(107,144)
Gain on disposal of property, plant and equipment	6(22)	(885)	(20,501)
Property, plant and equipment transferred to expenses		4,320	-
Gain on disposal of non-current assets held for sale	6(22)	-	(6,700)
Scrapping inventory and loss on decline in market value	6(4)	154,477	19,577
Gain arising from lease modifications	6(7)	(1)	(278)
Reclassification of exchange differences on translation of foreign financial statements to foreign exchange gains		(507)	(2,957)
Other losses	6(22)	-	521
Gain on recovery of preference share liabilities	6(14)	(2,570)	-
Changes in operating assets and liabilities			
Changes in operating assets			
(Increase) decrease in contract assets		(136,938)	23,842
Decrease (increase) in notes receivable		155	(9)
Increase in accounts receivable		(1,452,155)	(128,227)
Decrease in accounts receivable due from related parties		37,564	434,566
(Increase) decrease in other receivables		(64,503)	16,809
Decrease in other receivables due from related parties		84	15,706
(Increase) decrease in current inventories		(78,400)	75,930
Decrease (increase) in other prepayments		15,214	(10,837)
Increase in other current assets, others		(7,705)	(7,795)
(Increase) decrease in other non-current assets -others		(637)	588
Changes in operating liabilities			
Increase (decrease) in contract liabilities		9,315	(10,279)
Increase (decrease) in accounts payable		1,005,024	(163,691)
Increase (decrease) in accounts payable to related parties		639	(184)
Increase (decrease) in other payables		147,581	(57,847)
Increase in current provisions		32,038	4,083
Increase (decrease) in other current liabilities		12,350	(5,378)
Decrease in net defined benefit liability		(82,433)	(181,082)
Cash inflow generated from operations		2,697,435	2,798,858
Interest received		32,286	9,568
Income tax refunded		-	4,994
Income tax paid		(87,527)	-
Net cash flows from operating activities		2,642,194	2,813,420

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from liquidation of financial assets at fair value through other comprehensive income	6(2)	\$ -	\$ 22,082
Decrease in current financial assets at amortised cost		-	11,465
Acquisition of investments accounted for using the equity method	6(5)	(500,000)	(1,209,920)
Acquisition of property, plant and equipment (including prepayment for equipment)	6(28)	(841,173)	(1,091,294)
Proceeds from disposal of property, plant and equipment		826	31,774
(Increase) decrease in refundable deposits		(17,777)	117,188
Decrease in long-term accounts receivable due from related parties		-	518,507
Acquisition of intangible assets	6(9)	(79,470)	(41,170)
Proceeds from disposal of non-current assets held for sale		-	290,005
Net cash flows used in investing activities		(1,437,594)	(1,351,363)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	-	1,621,958
Decrease in short-term borrowings	6(29)	-	(1,911,958)
Decrease in short-term notes and bills payable	6(29)	-	(50,011)
Proceeds from long-term borrowings	6(29)	90,000	863,262
Repayments of long-term borrowings	6(29)	-	(362,694)
Proceeds from issuing preference share liabilities	6(14)(29)	(999,999)	-
Decrease in guarantee deposits received	6(29)	(4,375)	(17,156)
Payments of lease liabilities	6(29)	(27,950)	(28,203)
Interest paid		(37,667)	(27,446)
Cash dividends paid	6(18)	(625,165)	(733,916)
Net cash flows used in financing activities		(1,605,156)	(646,164)
Net (decrease) increase in cash and cash equivalents		(400,556)	815,893
Cash and cash equivalents at beginning of year		3,314,126	2,498,233
Cash and cash equivalents at end of year		\$ 2,913,570	\$ 3,314,126

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the 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 2023 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 2023 consolidated financial statements are stated as follows:

Existence and occurrence of sales revenue recognition of top 10 customers

Description

Please refer to Note 4(31) for accounting policies on revenue recognition and Note 6(20) 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(29) of parent company only financial statements for details of accounting policies on the recognition of deferred income tax assets. As of December 31, 2023, the amount of the Group's deferred income tax assets was NTD 634,413 thousand, please refer to Note 6(27) 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, constituting 0.07% of the consolidated total assets as at December 31, 2022, and operating revenue both amounted to NT\$0 thousand, constituting 0% of the consolidated total operating revenue for the year then ended.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Orient Semiconductor Electronics, Ltd. as at and for the years ended December 31, 2023 and 2022.

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 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 7, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,909,728	21	\$ 3,945,818	23
1136	Current financial assets at amortised cost	6(3)	-	-	245,600	1
1140	Current contract assets	6(20)	409,186	2	272,248	2
1150	Notes receivable, net	6(4)	-	-	155	-
1170	Accounts receivable, net	6(4)	4,462,716	24	3,022,087	18
1180	Accounts receivable due from related parties, net	6(4) and 7	270	-	399	-
1200	Other receivables		106,713	1	38,894	-
1220	Current tax assets		3,194	-	-	-
130X	Inventories	6(5)	1,604,909	9	1,818,028	11
1410	Prepayments		93,171	1	107,990	1
1479	Other current assets, others		30,774	-	23,812	-
11XX	Current Assets		10,620,661	58	9,475,031	56
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,839,213	10	1,021,427	6
1550	Investments accounted for using equity method	6(6)	-	-	1,843	-
1600	Property, plant and equipment	6(7) and 8	5,081,550	28	5,220,775	31
1755	Right-of-use assets	6(8)	146,307	1	166,755	1
1780	Intangible assets	6(10)	80,670	-	47,547	-
1840	Deferred tax assets	6(27)	634,413	3	973,068	6
1915	Prepayments for business facilities		25,276	-	20,581	-
1920	Guarantee deposits paid	8	36,603	-	17,098	-
1990	Other non-current assets, others		2,315	-	2,659	-
15XX	Non-current assets		7,846,347	42	7,471,753	44
1XXX	Total assets		\$ 18,467,008	100	\$ 16,946,784	100

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(20)	\$ 87,187	-	\$ 77,879	-
2170	Accounts payable		3,966,349	22	3,042,415	18
2180	Accounts payable to related parties	7	1,474	-	736	-
2200	Other payables	6(12)	1,396,947	8	1,299,565	8
2220	Other payables to related parties	7	19,781	-	20,000	-
2230	Current tax liabilities		214	-	123,863	1
2250	Current provisions		46,477	-	14,439	-
2280	Current lease liabilities		25,400	-	27,958	-
2320	Long-term liabilities, current portion	6(13) and 8	107,054	1	-	-
2365	Current refund liabilities		4,481	-	21,068	-
2399	Other current liabilities, others		83,900	-	56,398	-
21XX	Current Liabilities		5,739,264	31	4,684,321	27
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(13) and 8	1,131,908	6	1,148,962	7
2580	Non-current lease liabilities		108,460	1	133,352	1
2635	Non-current preference share liabilities	6(15)	-	-	1,003,851	6
2640	Net defined benefit liability, non-current	6(14)	178,046	1	185,658	1
2645	Guarantee deposits received		35,487	-	39,864	-
25XX	Non-current liabilities		1,453,901	8	2,511,687	15
2XXX	Total Liabilities		7,193,165	39	7,196,008	42
Equity attributable to owners of parent						
	Share capital	6(16)(17)				
3110	Share capital - common stock		5,553,083	30	5,553,299	33
3120	Preference share		1,801,800	10	1,801,800	11
	Capital surplus	6(18)				
3200	Capital surplus		238,387	1	238,171	1
	Retained earnings	6(19)				
3310	Legal reserve		346,070	2	192,241	1
3320	Special reserve		192,793	1	157,357	1
3350	Unappropriated retained earnings		3,007,624	16	2,000,701	12
	Other equity interest					
3400	Other equity interest		134,086	1	(192,793)	(1)
31XX	Equity attributable to owners of the parent		11,273,843	61	9,750,776	58
3XXX	Total equity		11,273,843	61	9,750,776	58
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 18,467,008	100	\$ 16,946,784	100

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(20) and 7	\$	16,690,436	100	\$ 15,531,669	100
5000 Operating costs	6(5)(10)(25)(26) and 7	(	13,375,136)	(80)	(13,008,745)	(84)
5900 Net operating margin			3,315,300	20	2,522,924	16
Operating expenses	6(10)(25)(26)					
6100 Selling and administrative expenses		(	860,865)	(5)	(742,128)	(5)
6300 Research and development expenses		(	386,747)	(3)	(340,002)	(2)
6450 Impairment gain and reversal of impairment loss (Impairment loss) determined in accordance with IFRS 9	12(2)		6,458	-	7,548	-
6000 Total operating expenses		(	1,241,154)	(8)	(1,089,678)	(7)
6500 Net other income (expenses)	6(8)		1	-	54	-
6900 Operating profit			2,074,147	12	1,433,300	9
Non-operating income and expenses						
7100 Interest income	6(21)		46,135	-	11,102	-
7010 Other income	6(22) and 7		175,386	1	166,048	1
7020 Other gains and losses	6(23)	(	40,685)	-	153,180	1
7050 Finance costs	6(24)	(	36,326)	-	(25,909)	-
7060 Share of (loss) profit of associates and joint ventures accounted for using equity method	6(6)	(	362)	-	30,567	-
7000 Total non-operating revenue and expenses			144,148	1	334,988	2
7900 Profit before income tax			2,218,295	13	1,768,288	11
7950 Income tax expense	6(27)	(	337,085)	(2)	(319,635)	(2)
8200 Profit for the year		\$	1,881,210	11	\$ 1,448,653	9
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Other comprehensive income, before tax, actuarial (losses) gains on defined benefit plans	6(14)	(\$	74,821)	-	\$ 120,460	1
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)		314,187	2	(72,236)	(1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)		16,282	-	(24,002)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss			255,648	2	24,222	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations			811	-	37,794	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)		10,563	-	(7,819)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss			11,374	-	29,975	1
8300 Total other comprehensive income for the year		\$	267,022	2	\$ 54,197	1
8500 Total comprehensive income for the year		\$	2,148,232	13	\$ 1,502,850	10
Profit, attributable to:						
8610 Owners of parent		\$	1,881,210	11	\$ 1,448,653	9
Comprehensive income attributable to:						
8710 Owners of parent		\$	2,148,232	13	\$ 1,502,850	10
Basic earnings per share	6(28)					
9750 Basic		\$	2.66		\$ 2.02	
9850 Diluted		\$	2.54		\$ 1.94	

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent									Total equity
		Share capital			Retained earnings			Other equity interest			
		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	
<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 idividends	6(19)	-	-	-	-	-	(733,916)	-	-	-	(733,916)
Share-based payment transactions	6(16)(17)	(1,020)	-	483	-	-	-	-	-	7,523	6,986
Disposal of investments accounted for under the equity method		-	-	2,791	-	-	-	-	-	-	2,791
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(2)	-	-	-	-	-	(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
<u>Year 2023</u>											
Balance at January 1, 2023		\$ 5,553,299	\$ 1,801,800	\$ 238,171	\$ 192,241	\$ 157,357	\$ 2,000,701	(\$ 11,936)	(\$ 180,857)	\$ -	\$ 9,750,776
Profit for the year		-	-	-	-	-	1,881,210	-	-	-	1,881,210
Other comprehensive income (loss)		-	-	-	-	-	(59,857)	11,374	315,505	-	267,022
Total comprehensive income		-	-	-	-	-	1,821,353	11,374	315,505	-	2,148,232
Appropriation and distribution of 2022 retained earnings:											
Legal reserve		-	-	-	153,829	-	(153,829)	-	-	-	-
Special reserve		-	-	-	-	35,436	(35,436)	-	-	-	-
Cash dividend	6(19)	-	-	-	-	-	(625,165)	-	-	-	(625,165)
Share-based payment transactions	6(16)(17)	(216)	-	216	-	-	-	-	-	-	-
Balance at December 31, 2023		\$ 5,553,083	\$ 1,801,800	\$ 238,387	\$ 346,070	\$ 192,793	\$ 3,007,624	(\$ 562)	\$ 134,648	\$ -	\$ 11,273,843

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,218,295	\$ 1,768,288
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(8)(25)	947,730	1,112,078
Amortization expense	6(10)(25)	48,362	26,739
(Gain) loss on expected credit impairment	12(2)	6,458)	7,548
Losses on financial assets at fair value through profit or loss	6(23)	-	1,261
Interest expense	6(24)	36,326	25,909
Interest income	6(21)	46,135 ) (	11,102)
Dividend income	6(22)	118,745 ) (	54,660)
Stock option compensation cost from subsidiary	6(16)	-	6,986
Share of loss (profit) of associates and ventures accounted for using the equity method	6(6)	362 (	30,567)
Loss (gain) on disposal of property, plant and equipment	6(23)	1,123 (	20,498)
Property, plant and equipment transferred to expenses		4,320	-
Gain on disposal of non-current assets held for sale	6(23)	- (	52,164)
Impairment loss on non-financial assets	6(23)	4,451	-
Scrapping inventory and loss on decline in market value	6(5)	173,894	22,620
Gain arising from lease modifications	6(8)	1 ) (	1,948)
Reclassification of exchange differences on translation of foreign financial statements to foreign exchange losses		507 ) (	5,956)
Other losses		-	521
Gain on recovery of preference share liabilities	6(15)	2,570)	-
Changes in operating assets and liabilities			
Changes in operating assets			
(Increase) decrease in contract assets	(	136,938)	23,842
Decrease (increase) in notes receivable		155 (	9)
Increase in accounts receivable	(	1,433,953 ) (	131,822)
(Increase) decrease in accounts receivable due from related parties	(	43)	458,010
(Increase) decrease in other receivable	(	66,151)	18,831
Decrease in other receivables due from related parties		-	62,813
Decrease in inventories		40,709	4,761
Decrease in prepayments		17,009	1,028
Increase in other current assets, others	(	6,939 ) (	7,655)
Decrease in other non-current assets, others		351	1,355
Changes in operating liabilities			
Increase (decrease) in contract liabilities		9,308 (	11,165)
Increase (decrease) in accounts payable		923,071 (	192,238)
Increase (decrease) in accounts payable to related parties		306 (	9)
Increase (decrease) in other payable		120,772 (	105,070)
Increase in other payables to related parties		-	14,491
Increase in current provisions		32,038	4,083
Increase (decrease) in other current liabilities		10,906 (	2,664)
Decrease in net defined benefit liability	(	82,433 ) (	181,082)
Cash inflow generated from operations		2,688,615	2,752,555
Interest received		45,986	10,642
Income tax received		-	4,982
Income tax paid	(	87,738)	-
Net cash flows from operating activities		2,646,863	2,768,179

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in non-current financial assets at fair value through other comprehensive income		(\$ 503,599)	(\$ 801,062)
Proceeds from liquidation of financial assets at fair value through other comprehensive income	6(2)	-	22,082
Decrease (increase) in non-current financial assets at amortised cost		248,297	(229,395)
Acquistion of property, plant and equipment (including prepayment for equipment)	6(29)	(859,072)	(1,092,284)
Proceeds from disposal of non-current assets held for sale		-	964,396
Proceeds from disposal of property, plant and equipment		18,199	31,774
(Increase) decrease in refundable deposits		(19,585)	138,851
Acquistion of intangible assets	6(10)	(79,470)	(41,170)
Decrease in long-term accounts receivable due from related		-	93,400
Dividends received	6(22)	118,745	54,660
Net cash flows used in investing activities		(1,076,485)	(858,748)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	-	1,621,958
Decrease in short-term borrowings	6(30)	-	(1,922,195)
Decrease in short-term notes and bills payable	6(30)	-	(50,011)
Proceeds from long-term borrowings	6(30)	90,000	863,262
Repayments of long-term borrowings	6(30)	-	(362,694)
Repayments of preference share liabilities	6(15)(30)	(999,999)	-
Decrease in guarantee deposits received	6(30)	(4,375)	(17,156)
Payments of lease liabilities	6(30)	(27,950)	(34,306)
Interest paid		(37,667)	(29,779)
Cash dividends paid	6(19)	(625,165)	(733,916)
Net cash flows used in financing activities		(1,605,156)	(664,837)
Effect of exchange rate changes on cash and cash equivalents		(1,312)	(21,947)
Net (decrease) increase in cash and cash equivalents		(36,090)	1,222,647
Cash and cash equivalents at beginning of year		3,945,818	2,723,171
Cash and cash equivalents at end of year		\$ 3,909,728	\$ 3,945,818

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

Orient Semiconductor Electronics, Ltd.
EARNINGS DISTRIBUTION TABLE
2023

Unit: NT\$

Item	Amount	
	Sub-total	Total
Undistributed Earnings at the Beginning of the Period		1,186,271,552
Add: Net profit after tax	1,881,210,048	
Add: Remeasurements of the defined benefit plans	(59,857,199)	
Less: 10% legal reserves	(182,135,285)	
Distributable net profit in the period		2,825,489,116
Distributable items:		
Less: Dividends for Preferred Shares C (Note 2)		(216,216,000)
Less: Cash dividend for common stock - NT\$ 1.20 per share (Note 3)		(666,370,000)
Undistributed earnings at the end of the period		1,942,903,116
<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\$19,780,802 as at December 31, 2023.</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\$ 176,216,040 was distributed, bringing the total distribution amount to NT\$ 216,216,000.</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 March 27, 2024, 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, Limited

List of Director & Independent Director Candidates

Candidates of Directors

Serial Number	Name	Amount of Shareholding	Major academic (career) background
1	Yueh-Ming Tung	534,739	<u>Education:</u> Master Degree of EMBA of National Sun Yat-sen University <u>Experience:</u> General Manager of Orient Semiconductor Electronics, Ltd. <u>Current position:</u> Chairman of Orient Semiconductor Electronics, Ltd. Chairman of OSE INTERNATIONAL LTD. Representative of legal person Director, Coreplus (HK) LTD. Representative of legal person Director, VALUEPLUS TECHNOLOGY (SUZHOU) CO., LTD.
2	Chipbond Technology Corporation Representative: Huoo-Wen Gau	327,525,498 (including 180,180,000 privately placed preferred shares)	<u>Education:</u> Master of Applied Chemistry, National Tsinghua University <u>Experience:</u> Head of Microelectronics Group, ITRI President of Xinbao Electronics <u>Current position:</u> President of Chipbond Technology Corporation Director of Chipmore Holding Company Limited (Cayman) Director of Chi-cheng Investment Representative of legal person Director of Orient Semiconductor Electronics
3	Shyh-Wey Lo	0	<u>Education:</u> Department of Accounting, Chung Yuan Christian University <u>Experience:</u> Vice President of the Audit Department of PwC Taiwan <u>Current position:</u> Senior Vice President and Chief Financial Officer, Chipbond Technology Corporation Chairman of Chi-cheng Investment Representative of legal person Director of Orient Semiconductor Electronics Limited Representative of legal person director of Hefei ESWIN Technology Co., Ltd. Representative of legal person director of Hefei Chipmore Materials Technology Co., Ltd. Independent director of Sunjuice Holding Co. Independent director of Giga Solar Materials Corp. Independent director of Hua Hsu Silicon Materials Co., Ltd.

Nominees for independent directors

Serial Number	Name	Amount of Shareholding	Major academic (career) background
1	Chia-Hua Hsu	0	<p><u>Education:</u> Bachelor of Department of Business Administration of Tunghai University</p> <p><u>Experience:</u> Finance Manager of First Steamship Group CFO of Elementa Information Technology Corp. President of WAN CHI ENGINEERING CO. LTD. Chairman of CHI LIN OPTOELECTRONICS CO., LTD. Independent director of Chipbond Technology Corporation</p> <p><u>Current position:</u> Independent director of Orient Semiconductor Electronics, Ltd.</p>
2	Philip Wei	0	<p><u>Education:</u> Bachelor of Department of Transportation Management, National Cheng Kung University Master, Public Finance Institute, National Chengchi University Master of Tax Law Institute, Northrop University, USA</p> <p><u>Experience:</u> Chairperson, Fortune Information Systems Corp. Chairman of China Airlines Independent Director of Powertech Technology Inc. Independent Director of Orient Semiconductor Electronics, Ltd.</p> <p><u>Current position:</u> Director of CyberSoft Digital Services Corp. Consultant, Taishin Asset Management Co., Ltd.</p>
3	Chi-Cheng Wu	0	<p><u>Education:</u> Doctor of Business (Marketing), National Taiwan University</p> <p><u>Experience:</u> Professor and Chair, Department of Business Administration, National Sun Yat-sen University Director, Alumni Service Center, National Sun Yat-Sen University</p> <p><u>Current position:</u> Professor, Department of Business Administration, National Sun Yat-sen University Independent director of Ching Chan Optical Technology Co., Ltd.</p>
4	Fang-Yu Wen	0	<p><u>Education:</u> Master of Accounting, College of Management, National Taiwan University</p> <p><u>Experience:</u> Accountant, PwC Taiwan</p> <p><u>Current position:</u> Accountant, Fang-Yu Wen CPA Firm</p>
5	Chien-Hui Hung	0	<p><u>Education:</u> Department of Applied Commerce, Taichung Institute of Technology</p> <p><u>Experience:</u> Manager, Lukang Branch, Hua Nan Bank Manager, Taichung Ganglu Branch, Hua Nan Bank Assistant Vice President, Central District Channel Administrative Center, Hua Nan Bank</p>

Orient Semiconductor Electronics, Limited

List of Proposed Release of Non-Competition Restriction on Directors

Title	List of Candidates	Proposal to the Shareholders' Meeting to release the Non-competition code Concurrent corporate responsibilities/other titles
Director	Yueh-Ming Tung	Representative of legal person Director, Coreplus (HK) LTD. Representative of legal person Director, VALUEPLUS TECHNOLOGY (SUZHOU) CO., LTD.
Director	Chipbond Technology Corporation	Director of Chipmore Holding Company Limited (Cayman) Chipmore Holding Company Ltd.(H.K.) Director Director of Hefei ESWIN Technology Co., Ltd. Director of Hefei Chipmore Materials Technology Co., Ltd.
Director	Chipbond Technology Corporation Representative: Huoo-Wen Gau	President of Chipbond Technology Corporation Director of Chipmore Holding Company Limited (Cayman) Director of Chi-cheng Investment
Director	Shyh-Wey Lo	Senior Vice President and Chief Financial Officer, Chipbond Technology Corporation Chairman of Chi-cheng Investment Representative of legal person director of Hefei ESWIN Technology Co., Ltd. Representative of legal person director of Hefei Chipmore Materials Technology Co., Ltd. Independent director of Sunjiuce Holding Co. Independent director of Giga Solar Materials Corp. Independent director of Hua Hsu Silicon Materials Co., Ltd.
Independent Director	Philip Wei	Director, CyberSoft Digital Services Corp. Consultant, Taishin Asset Management Co., Ltd.
Independent Director	Chi-Cheng Wu	Independent director of Ching Chan Optical Technology Co., Ltd.

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.
The Company's name in English is Orient Semiconductor Electronics, Ltd.
- Article 2 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 According to the Company's annual final accounts, the earnings shall, if any, be first provided for taxation and offset to the accumulated losses, followed by 10% of legal reserve as well as the provision or reverse of the special reserve pursuant to the laws or the regulations of the competent authority; the remaining earnings, if any, adding up the accumulated undistributed earnings in the previous years, shall be proposed by the board of director for the distribution and shall be reported to the shareholders' meeting for resolution.
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.
The Company is situated in the changeable industrial environment and the business life cycle is still in the growing stage. The Company shall take into account the future funds demand and long-term financial plan, as well as meet the demand of cash inflow for shareholders. 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 nineteen 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.
 The forty-ninth amendment was made on June 9, 2023.

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
October 27, 2022 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.

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)

Where a board meeting of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. 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.

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.

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 5 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. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
- VII. The appointment or dismissal of a financial, accounting, or internal auditing officer.
- VIII. 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.
- IX. 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 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 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.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of director meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

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 produce 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.

Rule for Director of Elections

June 19, 2002 Amendment Announcement

June 22, 2016 Amendment Announcement

June 18, 2019 Amendment Announcement

- Article 1. The elections of the directors for the Company shall be subject to this rule.
- Article 2. For the election of the directors for the Company, each share shall have voting rights in a number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 3. Before the election begins, the chairperson shall designate a number of scrutineers and tellers to perform various related duties.
- Article 4. The election of the directors (including independent directors) for the Company shall adopt the candidate nomination system. The shareholders shall elect the number of persons designated by the Article of Incorporation from the list of the candidates. According to the statistical results from the electronic communication platform and the ballots, those persons whose received votes representing the highest number of voting rights will be elected in turn. When two or more persons receive the same voting rights and result in an excess of the number of persons to be elected, they shall draw lots to determine and the chairperson shall draw lots on behalf of the absent persons.
- Article 4-1. The Company's independent directors and non-independent directors shall conduct elections together according to the relevant regulations of this rule, and the independent directors and non-independent directors shall be counted, respectively. Those persons who receive the highest number of votes shall be elected, respectively.
- Article 5. The board of directors shall print the number of the ballots that are the same as the number of directors to be elected, add the number of voting rights and distribute them to the shareholders who will attend the shareholders' meeting.
- Article 6. For the election of directors, the board of directors shall set up the ballot boxes, which shall be opened in public by the scrutineers before the voting.
- Article 7. Provided that an electee is a shareholder, the shareholder shall fill in the account name and the shareholder's account number of an electee in the column of "electee" of ballot; if not, the name and identity card or tax ID number of an electee shall be filled in. However, when a government or a legal person shareholder is the electee, the name of such government or legal person shall be filled in the column of the account name of electee of the ballot; it also may be filled in the name of such government or legal person and its representative; provided that there are several representatives, the names of the representatives should be added respectively.
- Article 8. The ballots shall be void in case one of the following circumstances occurs:
- (I) A ballot that does not comply with the regulation of this rule.
 - (II) A ballot that is blank to be put into ballot box.
 - (III) A ballot with illegible writing or being altered.
 - (IV) Provided that an electee is a shareholder, the account name and shareholder's account number are different from the shareholder register; or in case an electee is not a shareholder, the name and identity card or tax ID number are checked to make sure there are no discrepancies.
 - (V) In addition to filling in the electee's account name (name) or shareholder's account number (identity card or tax ID number) and the allocated number of voting rights, the other characters must be written.
 - (VI) A ballot without filling in the account name (name) or the shareholder's account number (identity card or tax ID number) of the electee.
 - (VII) A ballot filled in for 2 or more electees.
- Article 9. The ballots shall be counted on site after the voting is completed, and the results of voting shall be announced by the chairperson on site.
- Article 10. The board of directors shall issue the notifications to the elected directors respectively.
- Article 11. The items that are not specified in this rule shall be subject to the Company Act and the relevant laws.
- Article 12. This rule shall be implemented after the approval of the shareholders' meeting. The same shall apply to the amendment.

【Appendix 5】

Orient Semiconductor Electronics, Ltd.

Shareholding Status of All Directors

Base Date: April 9, 2024

Title	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: Huoo-Wen Gau	2021.07.15	Common shares	163,995,498	29.45%	Common shares Preferred Shares C	147,345,498 180,180,000	26.53% 100.00%	
Director	CHIPBOND TECHNOLOGY CORPORATION Representative: Shyh-Wey Lo		Preferred Shares B Preferred Shares C	90,090,000 180,180,000	100.00% 100.00%				
Independent Director	Ching-Tien Tsai	2021.07.15	Common shares	0	0.00%	Common shares	0	0.00%	
Independent Director	Jerry Chiou	2021.07.15	Common shares	0	0.00%	Common shares	0	0.00%	
Independent Director	Chia-Hua Hsu	2021.07.15	Common shares	0	0.00%	Common shares	0	0.00%	
合 計			Common shares Preferred Shares B Preferred Shares C	164,530,237 90,090,000 180,180,000		Common shares Preferred Shares C	147,880,237 180,180,000		

Total Number of Common Stocks Issued on July 15, 2021: 556,861,033 Shares

Total number of privately placed Class B preferred shares as of July 15, 2021: 90,090,000 Shares

Total number of privately placed Class C preferred shares as of July 15, 2021: 180,180,000 Shares

Total Number of Common Stocks Issued on April 9, 2024: 555,308,333 Shares

Total number of privately placed Class C preferred shares as of April 9, 2024: 180,180,000 Shares

Note: the minimum shareholdings of all Directors required by law: 23,535,626 Shares,

the number of shares held by all directors as a whole as of April 9, 2024: 328,060,237 Shares

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 5, 2024 and March 15, 2024.