

**Stock Code : 2459**

# **AUDIX CORPORATION**

## **Handbook of 2023 Annual Shareholders' Meeting [Translation]**

**Date : June 16, 2023**

### **Important Disclaimer**

This English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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# **1. Meeting Procedure**

**Audix Corporation**  
**Meeting Procedure for**  
**2023 Annual Shareholders' Meeting**

**I. Call the Meeting to Order**

**II. Chairman's Address**

**III. Reported Matters**

**IV. Acknowledged Matters**

**V. Matters for Discussion**

**VI. Extemporaneous Motions**

**VII. Meeting Adjourned**

## **2. Meeting Agenda**

# **Audix Corporation**

## **2023 Annual Shareholders' Meeting**

### **Meeting Agenda**

**Meeting Type:** Physical shareholders meeting

**Time:** 9:00 a.m., June 16, 2023 (Friday)

**Location:** 9F., No. 8, Lane 120, Sec. 1, Neihu Rd., Neihu Dist., Taipei, Taiwan, R.O.C.

#### **Meeting Agenda:**

**I. Call the Meeting to Order (report on the number of shares present)**

**II. Chairman's Address**

**III. Reported Matters**

(I) To report the business of 2022.

(II) Audit Committee's Review Report.

(III) To report 2022 employees' profit sharing bonus and directors' compensation.

(IV) To report 2022 cash dividends from earnings distribution.

(V) Amendment to the "Rules of Procedure for Board of Directors Meetings".

**IV. Acknowledged Matters**

(I) To approve the 2022 financial statements. (including 2022 business report)

**V. Matters for Discussion**

(I) Amendment to the "Rules of Procedure for Shareholders Meetings"

**VI. Extemporary Motions**

**VII. Meeting Adjourned**

# **I. Reported Matters**

## **Item 1**

Proposal: To report the business of 2022.

Explanation: Please refer to Attachment 1. (Pages 10-18 of this Handbook)

## **Item 2**

Proposal: Audit Committee's Review Report.

Explanation: Please refer to Attachment 2. (Page 19 of this Handbook)

## **Item 3**

Proposal: To report 2022 employees' profit sharing bonus and directors' compensation.

Explanation:

- (I) On March 17, 2023, the Board of Directors approved the 2022 employees' profit sharing bonus of NT\$21,550,000 and directors' compensation of NT\$6,300,000, all of which would be paid in cash.
- (II) The amount of employee' profit sharing bonus and directors' compensation proposed by the Board of Directors is not different from the estimated amount in the year.

## **Item 4**

Proposal: To report 2022 cash dividends from earnings distribution.

Explanation:

- (I) In accordance with Article 26-1 of the Articles of Incorporation, in the case of distributing dividends to shareholders or distributing all or part of the legal reserve and additional paid-in capital in the form of cash, a resolution must be adopted by a majority vote at the Board meeting attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.
- (II) Cash dividends to common share holders of totaling NT\$401,263,337. Each common share holder will be entitled to receive a cash dividend of NT\$3.8 per share.
- (III) The Board of Directors has resolved and authorized the Chairman to decide the ex-dividend date, date of issuance and other relevant issues. In the event that proposed distribution of earnings is affected by a change in the Company's outstanding common shares, the Chairman is also authorized by the Board of Directors to make adjustment to such distribution rate at his discretion.

**Item 5**

Proposal: Amendment to the “Rules of Procedure for Board of Directors Meetings”.

Explanation:

- (I) In accordance with the FSC’s letter of August 5, 2022 amending certain provisions of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”, the Company intends to amend certain provisions of the “Rules of Procedure for Board of Directors Meetings”.
- (II) Please refer to Attachment 3 for the comparison of provisions before and after amendments to the “Rules of Procedure for Board of Directors Meetings”. (Pages 20-21 of this Handbook)



## II. Acknowledged Matters

### Item 1 (Proposed by the Board of Directors)

Proposal: To approve the 2022 financial statements (including 2022 business report).

Explanation:

- (I) The Company's business report, financial statements and earnings distribution proposal for 2022 have been approved by the Board of Directors on record and the financial statements have been audited by CPA Wang, Hsuan-Hsuan and CPA Yu, Chien-Ju from Ernst & Young. The aforementioned financial statements, business report and earnings distribution proposal have been reviewed by the Audit Committee, which has issued a review report. Please refer to Attachments 1, 2 and 4. (Pages 10-19 and Pages 22-42 of this Handbook)
- (II) The earnings distribution tale for 2022 is as follows:

Audix Corporation

#### 2022 Earnings Distribution Tale

		Unit: NT\$
Item	Amount	
<b>Unappropriated earnings of previous years</b>		<b>2,013,733,005</b>
2022 net profit after tax	573,311,573	
Remeasurement of defined benefit plans	11,800,842	
Current after-tax net profit plus other profit items included in undistributed earnings in the current year		585,112,415
Less: Legal reserve (10%)		(58,511,242)
Plus: Reversal of special reserve		207,574,491
<b>Unappropriated earnings as of December 31, 2022</b>		<b>2,747,908,669</b>
Distribution item:		
Shareholder Bonus (NT\$3.8 per share)		(401,263,337)
<b>Unappropriated earnings at the end of the period</b>		<b>2,346,645,332</b>

Chairman: Chung, Yuan-Kai

Chief Executive Officer: Chung, Yuan-Kai

Chief Financial Officer: Chen, Liang-Teh

Note 1 The Company's principle of earnings distribution is to distribute the Earnings in 2022 available-for-distribution first, and if there is a shortfall, the accumulated available-for-distribution earnings of previous years will be distributed in the order of the year in which the earnings are generated, using the last-in, first-out method.

Note 2 Dividend distribution is based on 105,595,615 shares issued upon resolution of the Board of Directors on March 17, 2023.

Note 3 In accordance with Article 26-1 of the Articles of Incorporation, the Board of Directors is authorized to make a special resolution for the distributing dividends to shareholders or distributing all or part of the legal reserve and additional paid-in capital in the form of cash.

(III) Please approve.

Resolution:

### **III. Matters for Discussion**

#### **Item 1 (Proposed by the Board of Directors)**

Proposal: Amendment to the “Rules of Procedure for Shareholders Meetings”.

Explanation:

- (I) In accordance with the TWSE’s letter of March 8, 2022 amending certain provisions of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”, the Company intends to amend certain provisions of the “Rules of Procedure for Shareholders Meetings”.
- (II) Please refer to Attachment 5 for the comparison of provisions before and after amendments to the “Rules of Procedure for Shareholders Meetings”.  
(Pages 43-49 of this Handbook)
- (III) Please resolve.

Resolution:

### **IV. Extemporary Motions**

### **V. Meeting Adjourned**

## **3. Attachment**

## Attachment 1

### Business Report

#### I. The 2022 Business Report

The Group's consolidated net operating revenues in 2022 was NT\$7,853,343 thousand, an increase of 12.40% compared with the consolidated net operating revenues of NT\$6,986,930 thousand in 2021; the income before income tax in 2022 was NT\$1,097,493 thousand, an increase of 26.84% compared with the income before income tax of NT\$865,233 thousand in 2021. Despite the economic pressure with inflation, global interest rate increase and the change of the pandemic measures in Mainland China, the Group nonetheless continued to achieve record profitability in 2022, led by the Manufacture Business Group, with overall net operating revenues growth of 12.40%. With good cost control, the Group's gross margin reached a new high of 23.26% and net profit after tax grew by double-digit. Looking ahead, as we enter the new generation of IoT and 5G, the Group's three major business groups are actively laying the groundwork to provide customers with high value-added services in red-hot industries such as the 5G, electric vehicles, electric scooters, new energy application industries, and the IoT. The Group will continue to strengthen our capabilities in various fields to build the foundation for sustainable business operations.

#### (I) Implementation Results of the 2022 Business Plan

Unit: NT\$ thousand; %

Item	2022	2021	Increase (decrease) in amount	Increase (decrease) in percentage
Operating revenues	7,853,343	6,986,930	866,413	12.40
Operating costs	6,025,828	5,506,320	519,508	9.43
Gross profits	1,827,515	1,480,610	346,905	23.43
Operating expenses	798,312	731,652	66,660	9.11
Operating income	1,029,203	748,958	280,245	37.42
Income before income tax	1,097,493	865,233	232,260	26.84

#### (II) Budget execution: not applicable.

(III) Financial income and expenditure and profitability analysis

Item		2022	2021
Capital structure	Debt ratio (%)	46.43	46.39
	Long-term fund to property, plant and equipment ratio (%)	445.10	399.94
Liquidity	Current ratio (%)	213.40	292.41
	Quick ratio (%)	190.07	265.36
Profitability	Return on total assets (%)	7.03	6.82
	Return on equity (%)	12.46	12.10
	Net margin (%)	8.40	8.53
	Basic earnings per share (NT\$)	5.43	5.01

(IV) Research and development status

The main areas of research and development (R&D) are relay, transformer and coil, stamping parts, components and module assembly, plastic injection molding parts (VCM, CONNECTOR, etc.), molds, and automated equipment R&D, design and manufacturing.

II. 2023 Business Plan

(I) Operating Policy:

The Group will focus its resources on products with high growth in demand and wide applications, and will strive to introduce, produce, sell and build integrated solutions for related major components, and accelerate the improvement of production capacity of the manufacturing department to meet customer needs, as well as continuing to seek new component introduction and sales from partner companies and outsourcing companies.

(II) Operating Objectives:

The Group's components are used in the smartphones, Blu-ray game consoles, lighting, household appliances, broadband wireless access, automotive electronics, industrial control, medical industry, IoT and optical communication industries, etc. As the industry evolves, the Group continue to introduce high value-added product lines and cooperate with platform suppliers to provide more complete solutions to customers and expand our services to customers in order to increase our revenue.

### (III) Important production and sales policies.

#### 1. For Channel Sales

##### (1) Networking Communication Business

Currently, the main sales in 5G base stations are from Isolators and filters. The main applications in 5G cell are high-frequency magnetic components, signal reception steering motors, which have been adopted by major manufacturers.

##### (2) Display Industry

We are mainly engaged in industrial and automotive applications. They can be divided into RUGGED, MIP, MINI LED, OLED and touch panel by functionality. In addition, we sell touch panels to panel and module manufacturers.

##### (3) New Energy Application Industry

In response to the development trend of electric vehicle (EV) and server market, we now represent Hitachi IGBT modules and KYOCERA DIODE modules as a distributor. We are actively involved in the resale of HESTIA POWER silicon carbide (SiC) MOSFET and DIODE and, in the area of heat dissipation materials, we represent PROTERIAL (formerly, HITACHI METALS) in the sales of silicon nitride (SiN<sub>4</sub>) and alloy materials, as well as FUJITSU-RELAY.

##### (4) Storage, Playback and Optical Communication Industry

We are the distributor of HLDS (Hitachi-LG DATASTORAGE) optical readheads for XBOX game consoles and KONICA optical lenses, which are widely used in the in-vehicle and video player markets; in response to the increase of transmission rate, we are also the distributor of ALPSALPINE aspheric objective lenses (100G, 400G) to meet the demand of the optical communication market.

##### (5) Smart Home Appliance Industry

In response to the advent of artificial intelligence and energy-saving era, various home appliances are actively implementing AI/ECO functions. NIDEC's DC BRUSHLESS MOTOR that we resell is widely used in various home appliances. For example, electric fans, cross-flow fans, air conditioners, smart toilets, dehumidifiers, air purifiers, floor sweepers, washing machines, handheld vacuum cleaners, and also providing customers with Motor + MCU + Controller Total Solution services.

## (6) Medical Care Industry

In response to the rapidly rising market demand in Mainland China, we are now the distributor of PROTERIAL (former HITACHI METALS) Scintillator, which is widely used in medical CT and various checkups. In addition, we are the distributor of the ORBRAY (former NAMIKI) micro motor which is widely used in various medical devices, such as dental scalers, blood glucose meters, and microscopes. In the ultrasonic market, we are also the distributor of ABLIC I.C.

## 2. For Production and Manufacturing

### (1) Self-Developed Products

- A. Using the mold, molding, and stamping technologies of Audix Technology (Xiamen) and YuKa Precision (WuJiang), we develop high-end precision plastic parts and metal terminals for the information, communication, consumer electronics, and automotive markets, and for applications such as connectors, relays, voice coil motor modules, mobile device antennas, and hearing aids.
- B. We can develop insert molding products independently and further assemble them into Module or Solution Unit products according to customers' needs.
- C. We are engaged in the complete mold manufacturing chain, from mold design, processing, mold assembly, and mold test in a seamless way, to provide customers with the fastest and most reliable service.
- D. Based on the existing industrial coils and transformers, we are actively developing coils and transformers for network communication, car reversing radar, electric vehicle and lighting markets. At the same time, we also accept customers' requests to develop and manufacture customized products.
- E. We conduct R&D for automated production lines for in-vehicle transformers, replacing laborers with machines to reduce labor costs and achieve stable quality. These include EP6 (ultrasonic sensing drive transformer), tire pressure monitoring system, filter coils for defoggers, instrumentation lighting, common mode inductors for power cords and LED lighting. Especially with the huge domestic automobile market in Mainland China, and with car reversing assist systems and tire pressure monitoring systems becoming standard equipment in automobiles, the Group's outlook for the in-vehicle transformer market is quite optimistic. Currently have 10 EP6 production lines to meet customer orders. Our main customers are the top five car panoramic camera/car reversing radar companies in the world, and our end customers are GM, HYUNDAI, HONDA, VOLKSWAGEN, BYD, Geely, GreatWall, etc.

(2) Products Outsourced by Customers

- A. We enhance the competitiveness of products outsourced by customers in terms of cost, quality, and delivery time with the technology of self-developed products in order to obtain more opportunities for outsourcing.
- B. We appropriately adjust the products outsourced by customers to enhance profitability.
- C. We utilize the automatic production design and manufacturing technology of the equipment engineering department to gradually introduce the automatic production process to improve production capacity and profitability.
- D. At present, our outsourcing customers include well-known global companies such as FUJITSU, and MOLEX.

(3) Product Design and Development Outsourced by Customers

The Group has been devoted to serving VCM (Voice Coil Motor) customers for a long time, and benefited from the increasing demand for multi-lens smartphones. Our main customers are the top five VCM (Voice Coil Motor) companies in the world/Mainland China, and our end customers are cell phone brands in Mainland China such as OPPO, VIVO, Xiaomi, Honor, Lenovo and international brands such as APPLE.

3. For Product Testing and Certification

- (1) We continue to expand the electromagnetic compatibility (EMC) testing and certification business for electrical and electronic products.

The scope of EMC control in advanced countries in the world is expanding, and the Bureau of Standards, Metrology and Inspection (BSMI) of Taiwan's Ministry of Economic Affairs (MOEA) is actively promoting the EMC certification system for products. Some developing and undeveloped countries are also introducing EMC certification, and the demand for EMC testing and certification services is expanding due to the continuous innovation of electrical and electronic products. The Group's technique service business group has built complete EMC professional testing laboratories in Taiwan & Mainland China with a strong technical management team to provide customers with accurate and fast testing and certification services. The EMC testing building in Linkou was completed and started operations in 2012, which can provide more advanced, more complete and better quality EMC testing and certification environment for domestic and overseas customers, and we continued to build more EMC Chambers in 2017 & 2018 to meet the increasing testing demand and help customers to shorten the time to market.



- (2) We continue to expand the product safety testing and certification business of electrical and electronic products

Safety in the use of electrical and electronic products is vital to the lives and property of users, and countries around the world have set product safety technical indicators for the characteristics of their domestic use environment. The Group's technique service business group has laboratories accredited by BSMI, MOEA of Taiwan ROC, UL of the U.S., CSA of Canada, TUV Rheinland of the E.U., Nemko of Norway, CNAS of China, JQA of Japan, etc., which are also CBTL laboratories accredited by IECEE and can help customers to obtain safety standard certification from various countries quickly and shorten the time to market. The laboratories in Taiwan and Mainland China have also been accredited by S-JQA, PSE, and CBTL, making them to become the only Japan JQA-accredited laboratories in Taiwan & Mainland China, providing localized testing and certification services for domestic and foreign companies seeking outsourcing business opportunities from Japanese customers. In 2012, the Group's Shenzhen laboratory got accreditation by China CQC as a CBTL laboratory in Mainland China, which can conduct CB testing and issue reports. In 2017, the Group's Taiwan laboratory was accredited as a CBTL laboratory of Rheinland, Germany, and the Shenzhen laboratory got China CNCA accreditation as a CCC testing laboratory in 2021 and can conduct China Compulsory Certification Mark testing & reports, which will help domestic enterprises to obtain domestic and international safety standard certification quickly and shorten the time to market and expand business opportunities.

- (3) We continue to develop integrated automatic EMC & RF testing software

The EMC testing software developed by the Group's technique service business group is in a leading position in Taiwan and exported to major companies and laboratories in Korea and Mainland China. As the test software needs to be updated year by year compliance with the international standards, major manufacturers also need to purchase professional test software for their internal R&D needs or for their own testing needs for product quality improvement, and the market is growing steadily. In response to the demand for mandatory testing of digital TV performance in the E.U., the Group's technique service business group has successfully developed a digital TV performance testing system that has been approved by the Taiwan Accreditation Foundation (TAF) and has been granted a patent in the Republic of China to protect the Group's expertise and prove that it meets international testing system standards. In addition, the Group's Technique Service Business Group has developed the "Automatic

test system for electric field simulation of three-board line field intensity interference of automotive electronic parts" and the "Mobile communication disaster prevention alarming and detection system" for 5G NR communication, "multi-antenna RF power analysis and measurement device" and "Wireless network flow inspection device" in response to the recent development of new industries such as electric vehicles and 5G NR wireless communication. In addition to obtaining the patents in the Republic of China, the products have been successfully sold to domestic testing laboratories. The Group's Technique Service Business Group will continue to actively pursue R&D of functional testing software and system environment requirements related to new areas.

(4) Testing Environment Engineering Services

With the continuing launches of new electrical and electronic products, customers need to set up their own testing laboratories for R&D purposes or to meet the time to market of their products or to ensure the quality of their products from mass production. The Group's technique service business group has been working in this area for many years, and with self-developed integrated testing software to provide customers with one-stop technical services, it has established a certain market position and quality image in the industry. In addition, as Mainland China has become the world's factory, major international companies have moved in, and with strong domestic demand and the active promotion of the CCC certification system in Mainland China, the demand for national testing units and enterprises to establish their own testing environment is the driving force behind the growth of the Group's technique service business group in this area.

(5) We actively enter into energy-saving and environmental protection technology services

The global awareness of environmental protection is on the rise and the demand for energy saving and carbon reduction is soaring. For example, the U.S. Environmental Protection Agency has required that products such as computers, televisions, and photocopiers must obtain EPA certification starting in 2011. Taiwan's Environmental Protection Administration's Environmental Label and the Bureau of Energy's Energy Label also regulate products in this area, and the E.U., Mainland China, Japan, Korea, and Australia also have similar requirements, indicating the development of the green energy industry cannot be ignored. The Group's technique service business group has been accredited by the U.S. Environmental Protection Agency's as a EPA laboratory, and also accredited by the California Energy Commission's CEC. At the same time, the Group has undertaken a research project by the Industrial Technology Research

Institute (ITRI) to conduct testing and data collection for energy-saving products selling in Taiwan, and has assumed corporate social responsibility for setting energy-saving standards for products in Taiwan. In addition, the Group's technique service business group has purchased server energy-saving testing software and established energy and water saving testing equipment and capabilities for washing machines and secondary lithium batteries, and invested in the establishment of testing environments for RoHS, and REACH. In addition, in view of the increasingly serious air pollution, the Group's technique service business group invested in the construction of the first private PM 2.5 dedicated testing laboratory with technologies transferred from ITRI, which was completed and started operations in 2018. In response to the inspection requirements of the BSMI, MOEA for products subject to inspection, we have obtained the energy efficiency testing qualification of the new version of the standard for electric cookers and storage type electric water heaters in 2019, and we further acquired the energy efficiency testing qualification of refrigerator products in 2021.

- (6) The Group's technique service business group has established a cell phone Specific Absorption Rate (SAR) testing laboratory, a Fully Anechoic Chamber for wireless communication products, and an antenna test (OTA/CTIA) testing laboratory in the Linkou EMC testing building to promote the wireless testing and certification business of handheld products, and actively develop the global certification channel for wireless communication products. We have successfully completed and gained practical experience in more than 100 countries or regions for international certification. At the same time, the technique service business group's laboratories in Shenzhen, Shanghai and Suzhou Wujiang will also simultaneously expand the testing and certification capabilities of wireless communication products, such as the cell phone Specific Absorption Rate (SAR) testing laboratory, Fully Anechoic Chamber for wireless communication products, and antenna test (OTA/CTIA) testing laboratories, which will help the Group to expand its testing and certification business.
- (7) The Group's technique service business group has already invested in the high-power three-phase EMC testing capabilities for power supply products in the laboratories in Linkou and Suzhou Wujiang, which can conduct EMC testing and certification for high-power products such as cloud servers and PV systems. In addition, Mainland China has become the world's largest automobile production and sales market, the Group's technique service business group will also enter the area of vehicle electronic

EMC testing in the coming years, which will be more conducive to the expansion of the Group's testing and certification business.

- (8) With the advancement of wireless communication technologies of new generations, IoT is also using 3G/4G (LTE)/5G NR, Wi-Fi, BT, NFC, RF ID, NB-IoT and other wireless transmission technologies for various communication service applications. As such, the Group's technique service business group has established complete wireless communication testing laboratories and technologies in Taiwan and South and East China respectively. Starting from the second half of 2019, the Group has introduced the testing capability and certification status of NCC PLMN11 (NB-IoT) specification in Taiwan. In addition, in response to the new wireless communication network technology of 5G NR, the Group has also actively deployed and invested in the procurement of 5G NR related testing equipment and the construction of testing and certification capabilities in 2020. The Linkou laboratory of the Group's technique service business group has obtained TAF ISO17025 & ISO17065 accreditation in 2020, and has been able to conduct strict mandatory standard testing and certification of electromagnetic radiation and radio frequency characteristics of 5G NR devices and products operating in the Sub-6GHz and millimeter wave bands (up to 260GHz) since 2021, and also follow the requirements of Taiwan NCC regulations to conduct strict review and certification of testing results. In 2016, the Shenzhen Lab established the Japanese Telecommunications Business Law & Japan Radio Law (TBL & JRL) testing capabilities, and continued to update and upgrade the hardware and software testing equipment for 5G NR in 2020 and 2021, which can provide complete one-stop testing and certification services for cell phones, tablets and other handheld communication devices sold in Japan. In 2022, we obtained the U.S. FCC/EU CE certifications and expanded its wireless product testing services. In addition, we will start FCC certification services in the U.S. in response to the emergence of new Wi-Fi7 products, which will help us grow our business.

**Chairman: Chung, Yuan-Kai**

**Chief Executive Officer: Chung, Yuan-Kai**

**Chief Financial Officer: Chen, Liang-Teh**

## **Attachment 2**

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 business report, financial statements and earnings distribution proposal. The CPA firm of Ernst & Young was retained to audit AUDIX's financial statements and has issued an audit report relating to the financial statements. The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Audix Corporation. According to relevant requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report.

Audix Corporation

Convener of the Audit Committee: Lai, Wen-Hsien

March 17, 2023

## Attachment 3

### Audix Corporation Comparison of Provisions Before and After Amendments to the Rules of Procedure for Board of Directors Meetings

Amended provisions	Current provisions	Explanation
<p>Article 3</p> <p>(Convening and notice of board meetings)</p> <p>Paragraphs 1 to 3 (omitted)</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>Article 3</p> <p>(Convening and notice of board meetings)</p> <p>Paragraphs 1 to 3 (omitted)</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <b><u>except in the case of an emergency or for other legitimate reason.</u></b></p>	<p>Cooperate with the revision of laws and regulations.</p>
<p>Article 12</p> <p>(Matters requiring discussion at a board meeting)</p> <p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>Subparagraphs 1 to 5 (omitted)</p> <p><b><u>6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></b></p> <p><b><u>7.</u></b> The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><b><u>8.</u></b> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p>	<p>Article 12</p> <p>(Matters requiring discussion at a board meeting)</p> <p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>Subparagraphs 1 to 5 (omitted)</p> <p><b><u>6.</u></b> The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><b><u>7.</u></b> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><b><u>8.</u></b> Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by</p>	<p>Cooperate with the revision of laws and regulations.</p>

Amended provisions	Current provisions	Explanation
<p><b>9.</b> 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.</p> <p>The term "related party" in subparagraph <b>8</b> 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.</p> <p>The following (omitted)</p>	<p>resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <b>7</b> 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.</p> <p>The following (omitted)</p>	
<p>Article 19</p> <p>The “Rules of Procedure for Board of Directors Meetings” was enacted on January 1, 2007.</p> <p>.</p> <p>.</p> <p>The 4<sup>th</sup> amendment was made on March 23, 2020.</p> <p><b><u>The 5<sup>th</sup> amendment was made on November 3, 2022.</u></b></p>	<p>Article 19</p> <p>The “Rules of Procedure for Board of Directors Meetings” was enacted on January 1, 2007.</p> <p>.</p> <p>.</p> <p>The 4<sup>th</sup> amendment was made on March 23, 2020.</p>	<p>Added the date of amendment.</p>

## **Attachment 4**

### English Translation of Auditors' Report Originally Issued in Chinese

#### **Report of Independent Auditors**

To Audix Corporation

#### **Opinion**

We have audited the accompanying parent company only balance sheets of Audix Corporation (the “Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements including the summary of significant accounting policies (collectively referred to “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 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, and we do not provide a separate opinion on these matters.



## Revenue Recognition

The Company recognized operating revenue-net sales revenue in the amount of NTD 2,356,492 thousand for the year ended December 31,2022. The main source of revenue is the sales of various electronic products. Due to the intense competition in the industry and the short application cycle of electronic products, we believe there may be risks to the authenticity of sales revenue. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to:

- i. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.
- ii. Selecting samples to perform tests of details, performing tests of transaction detail which included reviewing vouchers of selected samples, such as shipping documents, customs export documents, customer acceptance documents and receipt documents to confirm the performance obligations were satisfied.
- iii. Ascertain whether there have been any material sales returns or allowances in the subsequent period to confirm revenue recognition.

We also considered the appropriateness of the disclosure of operating revenue in Notes 4 and 6.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

## **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Wang Hsuan-Hsuan

/s/Yu Chien-Ju

Ernst & Young, Taiwan  
March 17, 2023

Notice to Readers

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

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

English translation of parent company only financial statements originally issued in Chinese  
AUDIX CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2022 and December 31, 2021  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,			
		2022		2021	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$257,202	3	\$102,552	2
Financial assets at fair value through profit or loss, current	4, 6(2)	150,393	2	163,168	2
Financial assets at amortized cost, current	4, 6(4)	644,910	8	-	-
Notes receivable, net	4, 5, 6(5), 16	5,069	-	7,375	-
Accounts receivable, net	4, 5, 6(6), 16	688,768	8	511,708	7
Accounts receivable due from related parties, net	4, 5, 6(6), 16, 7	33,926	-	78,631	1
Other receivables	4	12,010	-	7,748	-
Other receivables due from related parties	4, 7	5,862	-	4,115	-
Inventories, net	4, 5, 6(7)	96,299	1	88,386	1
Prepayments		10,574	-	7,931	-
Other current assets		454	-	1,203	-
Total current assets		1,905,467	22	972,817	13
Non-current assets					
Financial assets at fair value through other comprehensive income, noncurrent	4, 6(3)	154,056	2	50,000	1
Investments accounted for under the equity method	4, 6(8)	6,129,743	72	6,128,630	82
Property, plant and equipment	4, 6(9), 8	311,636	4	314,721	4
Right-of-use assets	4, 6(17)	754	-	1,415	-
Intangible assets	4, 6(10)	368	-	529	-
Deferred tax assets	4, 5, 6(21)	7,037	-	1,224	-
Refundable deposits	7	9,452	-	12,655	-
Total non-current assets		6,613,046	78	6,509,174	87
Total assets		\$8,518,513	100	\$7,481,991	100

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

English translation of parent company only financial statements originally issued in Chinese  
AUDIX CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2022 and December 31, 2021  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31,			
		2022		2021	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6(11), 8	\$1,009,769	12	\$316,291	4
Contract liabilities, current	4	-	-	218	-
Accounts payable	4	684,952	8	504,324	7
Accounts payable to related parties	4, 7	24,916	-	34,605	-
Other payables	4	63,320	1	81,142	1
Other payables to related parties	4, 7	520	-	749	-
Current tax liabilities	4, 5, 6(21)	113,928	1	39,999	1
Current lease liabilities	4, 6(17)	361	-	660	-
Other current liabilities, others		11,771	-	4,912	-
Total current liabilities		1,909,537	22	982,900	13
Non-current liabilities					
Long-term loans	4, 6(12), 8	1,400,000	17	1,830,000	25
Deferred tax liabilities	4, 5, 6(21)	25,927	-	24,569	-
Non-current lease liabilities	4, 6(17)	366	-	730	-
Net defined benefit liability, non-current	4, 5, 6(13)	9,907	-	27,925	-
Guarantee deposits received	4	3,315	-	-	-
Total non-current liabilities		1,439,515	17	1,883,224	25
Total liabilities		3,349,052	39	2,866,124	38
Equity attributable to the parent company					
Capital	6(14)	1,055,956	12	1,055,956	14
Common stock					
Capital surplus	6(14)	170,338	2	275,934	4
Additional paid-in capital		932	-	932	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed		487	-	487	-
Gain on disposals of property, plant and equipment		10,028	-	10,028	-
Net assets from merger		5	-	5	-
Others					
Retained earnings	6(14)				
Legal reserve		994,802	12	941,781	13
Special reserve		237,667	3	160,953	2
Unappropriated retained earnings		2,598,844	31	2,407,456	32
Other components of equity					
Exchange differences on translation of foreign operations		1,177	-	(237,665)	(3)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	4	99,225	1	-	-
Total equity		5,169,461	61	4,615,867	62
Total liabilities and equity		\$8,518,513	100	\$7,481,991	100

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

## AUDIX CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenue	4, 6(15), 7				
Sales revenue		\$2,457,981	101	\$2,141,560	100
Sales returns, discounts and allowances		(101,489)	(4)	(71,025)	(3)
Net sales revenue		2,356,492	97	2,070,535	97
Service revenue		86,858	3	67,607	3
Total operating revenue		2,443,350	100	2,138,142	100
Operating costs					
Cost of sales	6(7), 6(17), 6(18), 7	(2,235,243)	(92)	(1,950,382)	(91)
Total operating costs		(2,235,243)	(92)	(1,950,382)	(91)
Gross profit		208,107	8	187,760	9
Operating expenses	6(13), 6(17), 6(18)				
Selling expenses		(67,831)	(3)	(69,988)	(3)
Administrative expenses		(85,103)	(3)	(83,779)	(4)
Expected credit gains (losses)	4, 5, 6(16)	655	-	(783)	-
Total operating expenses		(152,279)	(6)	(154,550)	(7)
Net operating income		55,828	2	33,210	2
Non-operating income and expenses					
Interest income		4,398	-	270	-
Other income	4, 6(19), 7	12,242	1	11,893	1
Other gains and losses, net	6(19), 7	(6,087)	-	22,923	1
Finance costs, net	4, 6(19)	(28,743)	(1)	(18,969)	(1)
Share of profits of subsidiaries and associates	4, 6(8)	645,190	26	519,083	24
Total non-operating income and expenses		627,000	26	535,200	25
Income before income tax		682,828	28	568,410	27
Income tax expense	4, 5, 6(21)	(109,517)	(4)	(38,917)	(2)
Net income		573,311	24	529,493	25
Other comprehensive income	6(20)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	4, 5, 6(13)	11,801	-	705	-
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income		99,225	4	-	-
Items that may be reclassified subsequently to profit or loss					
Subsidiary, Associates and Foreign Organization					
Exchange differences on translation of the financial statements	4	238,842	10	(76,714)	(4)
Total other comprehensive income		349,868	14	(76,009)	(4)
Total comprehensive income		\$923,179	38	\$453,484	21
Earnings per share-basic (in dollars)	6(22)	\$5.43		\$5.01	
Earnings per share-diluted (in dollars)	6(22)	\$5.40		\$5.00	

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

AUDIX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Common stock	Capital surplus	Retained earnings			Other Components of Equity		Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of the financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance as of January 1, 2021	6(14)	\$1,055,956	\$392,982	\$897,646	\$173,161	\$2,152,055	\$(160,951)	\$-	\$4,510,849
Appropriation and distribution of 2020 retained earnings	6(14)			44,135		(44,135)			-
Legal reserve appropriated						(242,870)			(242,870)
Cash dividends						12,208			-
Reversal of special reserve					(12,208)				
Cash dividends from additional paid-in capital			(105,596)			529,493			(105,596)
Profit for the year ended December 31, 2021									529,493
Other comprehensive income for the year ended December 31, 2021	4, 6(20)					705	(76,714)		(76,009)
Total comprehensive income for the year ended December 31, 2021		-	-	-	-	530,198	(76,714)	-	453,484
Balance as of December 31, 2021		\$1,055,956	\$287,386	\$941,781	\$160,953	\$2,407,456	\$(237,665)	\$-	\$4,615,867
Balance as of January 1, 2022	6(14)	\$1,055,956	\$287,386	\$941,781	\$160,953	\$2,407,456	\$(237,665)	\$-	\$4,615,867
Appropriation and distribution of 2021 retained earnings	6(14)			53,021		(53,021)			-
Legal reserve appropriated						(76,714)			-
Special reserve appropriated					76,714	(263,989)			(263,989)
Cash dividends									
Cash dividends from additional paid-in capital			(105,596)			573,311			(105,596)
Profit for the year ended December 31, 2022 (Note)						11,801			573,311
Other comprehensive income for the year ended December 31, 2022	4, 6(20)					585,112	238,842	99,225	349,868
Total comprehensive income for the year ended December 31, 2022		-	-	-	-		238,842	99,225	923,179
Balance as of December 31, 2022		\$1,055,956	\$181,790	\$994,802	\$237,667	\$2,598,844	\$1,177	\$99,225	\$5,169,461

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

Note: For the year ended in 2021, remuneration to directors and employees' remuneration were \$6,300 thousand and \$18,500 thousand respectively. For the year ended in 2022, remuneration to directors and employees' remuneration were \$6,300 thousand and \$21,550 thousand, respectively. The amount were deducted from the statement of comprehensive income of 2021 and 2022.

English translation of parent company only financial statements originally issued in Chinese

AUDIX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities:		
Profit before tax	\$682,828	\$568,410
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	5,972	6,565
Amortization expense	378	435
Expected credit (gain) loss	(655)	783
Net loss (gain) on financial assets at fair value through profit or loss	15,563	(1,891)
Interest expense	28,743	18,969
Interest income	(4,398)	(270)
Dividend income	(5,452)	(5,014)
Share of profits of subsidiaries and associates for using equity method	(645,190)	(519,083)
Gain on disposal of property, plant and equipment	(14)	-
Changes in operating assets and liabilities:		
Notes receivable	2,319	468
Accounts receivable	(176,419)	36,843
Accounts receivable due from related parties	44,705	(40,837)
Other receivable	(4,262)	(5,496)
Other receivable due from related parties	(1,747)	(1,986)
Inventories	(7,913)	(58,128)
Prepayments	(2,643)	1,162
Other current assets	749	152
Contract liabilities	(218)	218
Accounts payable	180,628	(134,580)
Accounts payable to related parties	(9,689)	7,173
Other payable	(18,733)	30,347
Other payable to related parties	(229)	370
Other current liabilities	6,859	1,095
Net defined benefit liability	(6,217)	(8)
Cash inflow generated from (used in) operations	84,965	(94,303)
Income taxes paid	(40,043)	(8,145)
Net cash flows provided by (used in) operating activities	44,922	(102,448)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(4,831)	(50,000)
Acquisition of financial assets at amortized cost	(644,910)	-
Acquisition of financial assets at fair value through profit or loss	(26,975)	(25,925)
Proceeds from disposal of financial assets at fair value through profit or loss	24,187	16,209
Acquisition of property, plant and equipment	(2,448)	(346)
Proceeds from disposal of property, plant and equipment	233	-
Decrease (increase) in refundable deposits	3,203	(878)
Acquisition of intangible assets	(285)	(95)
Proceeds from disposal of intangible assets	68	-
Interest received	4,398	270
Dividends received	888,372	253,644
Net cash flows provided by investing activities	241,012	192,879
Cash flows from financing activities:		
Increase in short-term loans	11,449,587	3,668,326
Decrease in short-term loans	(10,756,109)	(3,682,035)
Proceeds from long-term loans	3,160,000	2,480,000
Repayments of long-term loans	(3,590,000)	(2,260,000)
Decrease in guarantee deposits received	3,315	-
Payments of lease liabilities	(670)	(689)
Cash dividends paid	(369,585)	(348,466)
Interest paid	(27,822)	(19,247)
Net cash flows used in financing activities	(131,284)	(162,111)
Net increase(decrease) in cash and cash equivalents	154,650	(71,680)
Cash and cash equivalents at beginning of period	102,552	174,232
Cash and cash equivalents at end of period	\$257,202	\$102,552

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



## **REPRESENTATION LETTER**

### English Translation of the Representation Letter Originally Issued in Chinese

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

Very truly yours,

Audix Corporation

By

CHUNG,YUAN-KAI

Chairman

March 17, 2023

English Translation of Auditors' Report Originally Issued in Chinese

**Report of Independent Auditors**

To Audix Corporation

**Opinion**

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

The Company and its subsidiaries recognized operating revenue-net sales revenue in the amount of NTD 7,094,380 thousand for the year ended December 31,2022. The main source of revenue is the manufacturing and sales of various electronic products. Due to the intense competition in the industry and the short application cycle of electronic products, we believe there may be risks to the authenticity of sales revenue. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to:

- i. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.
- ii. Selecting samples to perform tests of details, performing tests of transaction detail which included reviewing vouchers of selected samples, such as shipping documents, customs export documents, customer acceptance documents and receipt documents to confirm the performance obligations were satisfied.
- iii. Ascertain whether there have been any material sales returns or allowances in the subsequent period to confirm revenue recognition.

We also considered the appropriateness of the disclosure of operating revenue in Notes 4 and 6.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

## **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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Others**

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

/s/Wang Hsuan-Hsuan

/s/Yu Chien-Ju

Ernst & Young, Taiwan  
March 17, 2023

### Notice to Readers

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

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

English translation of consolidated financial statements originally issued in Chinese  
AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2022 and December 31, 2021  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,			
		2022		2021	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$1,592,802	15	\$1,713,192	18
Financial assets at fair value through profit or loss, current	4, 6(2)	257,771	2	1,136,605	12
Financial assets at amortized cost, current	4, 6(4)	2,297,463	22	1,700,250	19
Notes receivable, net	4, 5, 6(5), 16	93,254	1	138,951	1
Accounts receivable, net	4, 5, 6(6), 16	2,021,776	19	1,541,366	17
Accounts receivable due from related parties, net	4, 5, 6(6), 16, 7	81,322	1	73,207	1
Other receivables	4	119,109	1	93,782	1
Other receivables due from related parties	4, 7	-	-	5	-
Inventories, net	4, 5, 6(7)	689,037	7	583,790	6
Prepayments		69,151	1	71,025	1
Other current assets		24,216	-	27,319	-
Total current assets		7,245,901	69	7,079,492	76
Non-current assets					
Financial assets at fair value through profit or loss, noncurrent	4, 6(2)	408,246	4	85,010	1
Financial assets at fair value through other comprehensive income, noncurrent	4, 6(3)	159,139	2	55,009	1
Financial assets at amortized cost, noncurrent	4, 6(4)	903,411	9	225,835	2
Investments accounted for under the equity method	4, 6(8)	35,813	-	32,213	-
Property, plant and equipment	4, 6(9), 7, 8	1,585,228	15	1,724,338	19
Right-of-use assets	4, 6(17)	71,864	1	74,236	1
Intangible assets	4, 6(10)	3,063	-	4,266	-
Deferred tax assets	4, 5, 6(21)	11,837	-	6,166	-
Refundable deposits	4, 7	26,833	-	30,821	-
Total non-current assets		3,205,434	31	2,237,894	24
Total assets		\$10,451,335	100	\$9,317,386	100

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

English translation of consolidated financial statements originally issued in Chinese  
AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2022 and December 31, 2021  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31,			
		2022		2021	
		Amount	%	Amount	%
Current liabilities					
short-term loans	4, 6(11), 8	\$1,565,458	15	\$844,269	9
Contract liabilities, current	4, 6(15)	17,721	-	68,132	1
Accounts payable	4	1,044,640	10	933,324	10
Accounts payable to related parties	4, 7	10	-	2,784	-
Other payables	4	392,590	4	349,166	4
Other payables to related parties	4, 7	4,597	-	300	-
Current tax liabilities	4, 5, 6(21)	218,079	2	94,422	1
Current lease liabilities	4, 6(17)	8,947	-	9,054	-
Other current liabilities, others		143,448	1	119,627	1
Total current liabilities		3,395,490	32	2,421,078	26
Non-current liabilities					
Long-term loans	4, 6(12), 8	1,400,000	14	1,830,000	20
Deferred tax liabilities	4, 5, 6(21)	25,934	-	24,576	-
Non-current lease liabilities	4, 6(17)	18,141	-	18,778	-
Net defined benefit liability, non-current	4, 5, 6(13)	9,907	-	27,925	-
Guarantee deposits received		3,315	-	-	-
Total non-current liabilities		1,457,297	14	1,901,279	20
Total liabilities		4,852,787	46	4,322,357	46
Equity attributable to the parent company					
Capital	6(14)				
Common stock		1,055,956	10	1,055,956	12
Capital surplus	6(14)	170,338	2	275,934	3
Additional paid-in capital					
Difference between consideration and carrying amount of subsidiaries acquired or disposed		932	-	932	-
Gain on disposals of property, plant and equipment		487	-	487	-
Net assets from merger		10,028	-	10,028	-
Others		5	-	5	-
Retained earnings	6(14)				
Legal reserve		994,802	10	941,781	10
Special reserve		237,667	2	160,953	2
Unappropriated retained earnings		2,598,844	25	2,407,456	26
Other components of equity					
Exchange differences on translation of foreign operations	4	1,177	-	(237,665)	(3)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		99,225	1	-	-
Total equity attributable to parent company	4, 6(14)	5,169,461	50	4,615,867	50
Non-controlling interests	6(14)	429,087	4	379,162	4
Total equity	6(14)	5,598,548	54	4,995,029	54
Total liabilities and equity		\$10,451,335	100	\$9,317,386	100

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

## AUDIX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenue					
Sales revenue	4, 6(15), 7	\$7,191,225	91	\$6,235,020	89
Sales returns, discounts and allowances		(96,845)	(1)	(75,322)	(1)
Net sales revenue		7,094,380	90	6,159,698	88
Service revenue	4, 6(15)	758,963	10	827,232	12
Total operating revenue		7,853,343	100	6,986,930	100
Operating costs	6(13), 6(18)				
Cost of sales	6(7), 7	(5,649,585)	(72)	(5,043,446)	(72)
Cost of services		(376,243)	(5)	(462,874)	(7)
Total operating costs		(6,025,828)	(77)	(5,506,320)	(79)
Gross profit		1,827,515	23	1,480,610	21
Operating expenses	6(9), 6(10), 6(13), 6(17), 6(18)				
Selling expenses		(314,525)	(4)	(294,541)	(4)
Administrative expenses		(360,558)	(5)	(337,712)	(5)
Research and development expenses		(116,039)	(1)	(99,703)	(1)
Expected credit (losses) gains	4, 5, 6(16)	(7,190)	-	304	-
Total operating expenses		(798,312)	(10)	(731,652)	(10)
Net operating income		1,029,203	13	748,958	11
Non-operating income and expenses					
Interest income	4, 6(19)	92,200	1	43,903	1
Other income	4, 6(19), 7	22,592	-	20,761	-
Other gains and losses, net	6(19), 7	(9,132)	-	72,236	1
Finance costs, net	4, 6(19)	(43,536)	-	(26,154)	-
Share of profit of associates and joint ventures accounted for using equity method	4, 6(8)	6,166	-	5,529	-
Total non-operating income and expenses		68,290	1	116,275	2
Income before income tax		1,097,493	14	865,233	13
Income tax expense	4, 5, 6(21)	(437,501)	(5)	(268,981)	(4)
Net income		659,992	9	596,252	9
Other comprehensive income	6(20)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	4, 5, 6(13)	11,801	-	705	-
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income		99,225	1	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign financial statements	4	244,129	3	(79,380)	(1)
Total other comprehensive income		355,155	4	(78,675)	(1)
Total comprehensive income		\$1,015,147	13	\$517,577	8
Net income attributable to:					
Shareholders of the parent		\$573,311	8	\$529,493	8
Non-controlling interests	6(14)	86,681	1	66,759	1
Comprehensive income attributable to:					
Shareholders of the parent		\$923,179	12	\$453,484	7
Non-controlling interests	6(14)	91,968	1	64,093	1
Earnings per share-basic (in dollars)	6(22)	\$5.43		\$5.01	
Earnings per share-diluted (in dollars)	6(22)	\$5.40		\$5.00	

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



## AUDIX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Equity attributable to the parent company							Non-controlling interests	Total equity	
		Common stock	Capital surplus	Retained earnings			Other Components of Equity				Total
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			
Balance as of January 1, 2021	6(14)	\$1,055,956	\$392,982	\$897,646	\$173,161	\$2,152,055	\$(160,951)	\$-	\$4,510,849	\$348,955	\$4,859,804
Appropriation and distribution of 2020 retained earnings	6(14)										
Legal reserve appropriated				44,135		(44,135)					
Cash dividends						(242,870)			(242,870)		(242,870)
Reversal of special reserve					(12,208)	12,208					
Cash dividends from additional paid-in capital			(105,596)						(105,596)		(105,596)
Profit for the year ended December 31, 2021						529,493			529,493	66,759	596,252
Other comprehensive income for the year ended December 31, 2021	4, 6(20)					705	(76,714)		(76,009)	(2,666)	(78,675)
Total comprehensive income for the year ended December 31, 2021		-	-	-	-	530,198	(76,714)	-	453,484	64,093	517,577
Changes in non-controlling interests	6(14)									(33,886)	(33,886)
Balance as of December 31, 2021	6(14)	\$1,055,956	\$287,386	\$941,781	\$160,953	\$2,407,456	\$(237,665)	\$-	\$4,615,867	\$379,162	\$4,995,029
Balance as of January 1, 2022	6(14)	\$1,055,956	\$287,386	\$941,781	\$160,953	\$2,407,456	\$(237,665)	\$-	\$4,615,867	\$379,162	\$4,995,029
Appropriation and distribution of 2021 retained earnings	6(14)										
Legal reserve appropriated				53,021		(53,021)					
Special reserve appropriated					76,714	(76,714)					
Cash dividends						(263,989)			(263,989)		(263,989)
Cash dividends from additional paid-in capital			(105,596)			573,311			(105,596)		(105,596)
Profit for the year ended December 31, 2022						11,801	238,842	99,225	349,868	86,681	659,992
Other comprehensive income for the year ended December 31, 2022	4, 6(20)					585,112		99,225	923,179	5,287	355,155
Total comprehensive income for the year ended December 31, 2022		-	-	-	-					91,968	1,015,147
Changes in non-controlling interests	6(14)									(42,043)	(42,043)
Balance as of December 31, 2022	6(14)	\$1,055,956	\$181,790	\$994,802	\$237,667	\$2,598,844	\$1,177	\$99,225	\$5,169,461	\$429,087	\$5,598,548

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

English translation of consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities:		
Profit before tax	\$1,097,493	\$865,233
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	348,475	331,176
Amortization expense	1,422	1,682
Expected credit loss (gain)	7,190	(304)
Net loss (gain) on financial assets at fair value through profit or loss	27,682	(38,897)
Interest expense	43,536	26,154
Interest income	(92,200)	(43,903)
Dividend income	(6,160)	(6,056)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(6,166)	(5,529)
Loss on disposal of property, plant and equipment	20,907	1,487
Gain on lease modification	(163)	(608)
Changes in operating assets and liabilities:		
Notes receivable	45,711	(14,984)
Accounts receivable	(487,780)	(45,267)
Accounts receivable due from related parties	(8,115)	34,423
Other receivable	(25,327)	(11,343)
Other receivable due from related parties	5	(5)
Inventories	(105,247)	(161,788)
Prepayments	1,874	1,970
Other current assets	3,103	(3,383)
Contract liabilities	(50,411)	56,886
Notes payable	-	(385)
Accounts payable	111,316	(109,299)
Accounts payable to related parties	(2,774)	2,732
Other payable	43,077	39,450
Other payable to related parties	4,297	300
Other current liabilities	23,821	(2,013)
Net defined benefit liability	(6,217)	(8)
Cash inflow generated from operations	989,349	917,721
Income taxes paid	(318,157)	(232,062)
Net cash flows provided by operating activities	671,192	685,659
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(4,831)	(50,000)
Acquisition of financial assets at amortized cost	(4,607,100)	(5,024,767)
Proceeds from disposal of financial assets at amortized cost	3,444,237	4,239,172
Acquisition of financial assets at fair value through profit or loss	(733,664)	(2,848,702)
Proceeds from disposal of financial assets at fair value through profit or loss	1,284,819	3,023,042
Acquisition of property, plant and equipment	(222,386)	(233,032)
Proceeds from disposal of property, plant and equipment	371	133
Increase in refundable deposits	3,988	-
Decrease in refundable deposits	-	6,495
Acquisition of intangible assets	(285)	(95)
Proceeds from disposal of intangible assets	68	-
Interest received	92,200	43,903
Dividends received	8,726	6,056
Net cash flows used in investing activities	(733,857)	(837,795)
Cash flows from financing activities:		
Increase in short-term loans	12,366,397	4,982,449
Decrease in short-term loans	(11,645,208)	(4,819,089)
Proceeds from long-term loans	3,160,000	2,480,000
Repayments of long-term loans	(3,590,000)	(2,260,000)
Increase in guarantee deposits received	3,315	-
Payments of lease liabilities	(12,703)	(12,422)
Cash dividends paid	(369,585)	(348,466)
Interest paid	(42,135)	(25,009)
Change in non-controlling interests	(42,043)	(33,886)
Net cash flows used in financing activities	(171,962)	(36,423)
Effect of exchange rate changes on cash and cash equivalents	114,237	(48,220)
Net decrease in cash and cash equivalents	(120,390)	(236,779)
Cash and cash equivalents at beginning of period	1,713,192	1,949,971
Cash and cash equivalents at end of period	\$1,592,802	\$1,713,192

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

## Attachment 5

### Audix Corporation Comparison of Provisions Before and After Amendments to the Rules of Procedure for Shareholders Meetings

Amended provisions	Current provisions	Explanation
<p>Article 1</p> <p>The Company's shareholders' meetings, unless otherwise provided by laws and regulations, shall be handled in accordance with the Rules.</p> <p><b><u>The hybrid shareholders' meeting or virtual-only shareholders' meeting held by the Company, if any, should be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related laws and regulations.</u></b></p>	<p>Article 1</p> <p>The Company's shareholders' meetings, unless otherwise provided by laws and regulations, shall be handled in accordance with the Rules.</p>	<p>Added the provision that when shareholders' meetings with video conferencing should be handled in accordance with the relevant regulations.</p>
<p>Article 2</p> <p>The attending shareholders of the Company shall hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, <b><u>and the shares checked in on the virtual meeting platform,</u></b> by shareholders plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>Article 2</p> <p>The attending shareholders of the Company shall hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in by shareholders plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>Cooperate with the revision of laws and regulations.</p>
<p>Article 4</p> <p>Paragraph 1 (omitted)</p> <p><b><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></b></p> <p>The Company shall specify in its shareholders' meeting notices the time during which attendance</p>	<p>Article 4</p> <p>Paragraph 1 (omitted)</p> <p>The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which</p>	<p>Cooperate with the revision of laws and regulations.</p>

Amended provisions	Current provisions	Explanation
<p>registrations for shareholders, <b><u>solicitors and proxies (collectively "shareholders")</u></b> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. <b><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register at the venue or website designated by the Company two days before the meeting date; also, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</u></b></p>	<p>shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences.</p>	
<p>Article 7</p> <p>The Company shall record the shareholders' meetings by audio <b><u>and</u></b> video and keep the recording for at least one year.</p> <p><b><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and votes counted etc. by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></b></p> <p><b><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company</u></b></p>	<p>Article 7</p> <p>The Company shall record the shareholders' meetings by audio <b><u>or</u></b> video and keep the recording for at least one year.</p>	<p>Cooperate with the revision of laws and regulations.</p>

Amended provisions	Current provisions	Explanation
<p><u>during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the organization entrusted to handle matters of the virtual meeting for a specified period of time in accordance with the laws and regulations.</u></p>		
<p>Article 8</p> <p>The chairman shall call the meeting to order at the appointed meeting time <u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting (In the event of a virtual shareholders meeting, it should be disclosed on the virtual meeting platform).</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. <u>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.</u> If the quorum is not met after two postponements <u>as referred to in the preceding paragraph</u>, but the attending shareholders represent one third or more of the total number of issued shares, a</p>	<p>Article 8</p> <p>The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the <u>meeting</u> pursuant to Article 174 of the Company Act.</p>	<p>Cooperate with the revision of laws and regulations.</p>

Amended provisions	Current provisions	Explanation
<p>tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; <b><u>all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company.</u></b></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the <b><u>shareholders' meeting</u></b> pursuant to Article 174 of the Company Act.</p>		
<p><b><u>Article 11-1</u></b></p> <p><b><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairman declaring the meeting open until the chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</u></b></p>	<p>This Article is newly added.</p>	<p>Cooperate with the revision of laws and regulations.</p>
<p>Article 14-1</p> <p>Paragraph 1 (omitted)</p> <p>A shareholder exercising voting rights by correspondence or electronic means in the preceding paragraph will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to</p>	<p>Article 14-1</p> <p>Paragraph 1 (omitted)</p> <p>A shareholder exercising voting rights by correspondence or electronic means in the preceding paragraph will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to</p>	<p>Cooperate with the revision of laws and regulations.</p>

Amended provisions	Current provisions	Explanation
<p>original proposals of that meeting.</p> <p><b><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></b></p>	original proposals of that meeting.	
<p><b><u>Article 15-1</u></b></p> <p><b><u>When the Company convenes a virtual shareholders meeting, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform from the time the chairman declaring the meeting open to the time before the chairman announces the close of voting, otherwise it will be deemed to have abstained from voting. Votes shall be counted at once after the chairman announces the close of voting, and the results of votes and elections shall be announced immediately.</u></b></p>	This Article is newly added.	Cooperate with the revision of laws and regulations.
<p><b><u>Article 15-2</u></b></p> <p><b><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes</u></b></p>	This Article is newly added.	Cooperate with the revision of laws and regulations.

Amended provisions	Current provisions	Explanation
<u>after the chairman has announced the meeting adjourned.</u>		
<p><b><u>Article 16-1</u></b></p> <p><b><u>In the event of a virtual shareholders meeting held by the Company, if the virtual meeting platform or participation in the virtual meeting is obstructed due to other force majeure events for more than 30 minutes continuously, the meeting shall be postponed to or resumed on another date within five days. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as previously stated, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholders meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof. Under the circumstances, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting. For a meeting to be postponed or resumed in the preceding paragraph, the number of shares represented by, and voting rights and election rights</u></b></p>	<p>This Article is newly added.</p>	<p>Cooperate with the revision of laws and regulations.</p>



Amended provisions	Current provisions	Explanation
<u>exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. No redundant discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.</u>		
<p>Article 21</p> <p>The “Rules of Procedure for Shareholders Meetings” was formulated on April 15, 1998.</p> <p>.</p> <p>.</p> <p>The 5<sup>th</sup> amendment was made on June 15, 2020.</p> <p><b><u>The 6<sup>th</sup> amendment was made on June 16, 2023.</u></b></p> <p>The following (omitted)</p>	<p>Article 21</p> <p>The “Rules of Procedure for Shareholders Meetings” was formulated on April 15, 1998.</p> <p>.</p> <p>.</p> <p>The 5<sup>th</sup> amendment was made on June 15, 2020.</p> <p>The following (omitted)</p>	<p>Added the date of amendment.</p>

## **4. Appendix**

## **Appendix 1**

### **AUDIX CORPORATION**

#### **Rules of Procedure for Shareholders' Meetings**

- Article 1     The Company's shareholders' meetings, unless otherwise provided by law and regulation, shall be handled in accordance with the Rules.
- Article 2     The attending shareholders of the Company shall hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in by shareholders plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 3     Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares.
- Article 4     The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences.
- Article 5     If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chairman. If there are no managing directors, one of the directors shall be appointed to serve as chairman. Where the chairman does not make such a designation, the managing directors or directors shall select from among themselves one person to serve as chairman. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- Article 6     The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 7      The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.

Article 8      The chairman shall call the meeting to order at the scheduled meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9      If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After close of the said meeting, except for the circumstances stated in the preceding paragraph, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place.

Article 10     Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other

shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman; the chairman shall stop any violation.

Article 11 Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes.

If the shareholder's speech violates the rules set in the preceding paragraph or exceeds the scope of the agenda item, the chairman may terminate such speech.

Article 12 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13 After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 14 When the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.

Article 14-1 When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by correspondence or by electronic means.

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Article 15 The chairman shall appoint the vote monitoring and counting personnel for the voting on a proposal, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 16 When a meeting is in progress, the chairman may announce a break based on time considerations.

Article 17 Unless otherwise provided by the relevant laws and regulations and in the Company's Article of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

- Article 18 When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 19 The chairman may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word “Proctor.”
- Article 20 The matters that are not addressed in the “Rules of Procedure for Shareholders’ Meetings” shall be handled in accordance with the relevant laws and regulations.
- Article 21 The “Rules of Procedure for Shareholders’ Meetings” was formulated on April 15, 1998.  
The 1<sup>st</sup> amendment was made on April 28, 2000.  
The 2<sup>nd</sup> amendment was made on June 10, 2002.  
The 3<sup>rd</sup> amendment was made on June 14, 2006  
The 4<sup>th</sup> amendment was made on June 14, 2013.  
The 5<sup>th</sup> amendment was made on June 15, 2020.  
The “Rules of Procedure for Shareholders’ Meetings” shall take effect after being approved by the shareholders’ meetings, subsequent amendments thereto shall be effective in the same manner.

## **Appendix 2**

### **AUDIX CORPORATION**

#### **Articles of Incorporation**

##### **Chapter I General Provisions**

Article 1     The Company is organized in accordance with the Company Act and it is named “AUDIX CORPORATION”

              The Company name is “AUDIX CORPORATION”

Article 2     The business operation of the company is as follows:

1.    C805050 Industrial Plastic Products Manufacturing
2.    C805070 Reinforced Plastic Products Manufacturing
3.    C805990 Other Plastic Products Manufacturing
4.    CB01010 Mechanical Equipment Manufacturing
5.    CB01990 Other Machinery Manufacturing
6.    CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
7.    CC01060 Wired Communication Mechanical Equipment Manufacturing
8.    CC01070 Wireless Communication Mechanical Equipment Manufacturing
9.    CC01080 Electronics Components Manufacturing
10.   CC01110 Computer and Peripheral Equipment Manufacturing
11.   CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
12.   CD01030 Motor Vehicles and Parts Manufacturing
13.   CE01010 General Instrument Manufacturing
14.   CQ01010 Mold and Die Manufacturing
15.   F113020 Wholesale of Electrical Appliances
16.   F118010 Wholesale of Computer Software
17.   F119010 Wholesale of Electronic Materials
18.   F218010 Retail Sale of Computer Software
19.   F219010 Retail Sale of Electronic Materials
20.   F401010 International Trade
21.   I301010 Information Software Services
22.   IF04010 Non-destructive Testing
23.   IZ09010 Management System Certification
24.   IZ99990 Other Industrial and Commercial Services
25.   ZZ99999 Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations.

- Article 3 The Company may conduct guarantee businesses externally.
- Article 4 The Company may authorize the Board of Directors to make investments for an amount more than 40% of the Corporation's paid-in capital.
- Article 5 The Company's headquarter is located in Taipei City. The decision of establishing, terminating, or changing branch offices or liaison offices in Taiwan and abroad can be resolved by the Board of Directors, if necessary.
- Article 6 The Company's announcements will be made in accordance with Article 28 of the Company Act.

## **Chapter II Shares**

- Article 7 The total authorized capital stock of the Company is NT\$2.5 billion divided into 5.5 billion shares with a par value of NT\$10 per share. The Board of Directors is authorized to make multiple issuances.

Also, 15.4 million shares of the total capital stock in the preceding paragraph are reserved available for the Company's issuing employee stock warrants, and Board of Directors is authorized to make multiple issuances.

- Article 7-1 According to Article 56-1 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" and Article 10-1 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies," when the subscription price of the stock warrant issued by the Company is lower than the closing price of the Company's common stock on the issuing date and the treasury stock is transferred to employees is less than the average price of the repurchase shares, a resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company.

- Article 7-2 The treasury stock purchased by the Company shall be transferred to employees, including the employees of the controlled companies or subsidiaries that meet certain conditions.

The Company's employee stock warrants are issued to the employees, including the employees of the controlled companies or subsidiaries that meet certain conditions. The shares issued by the Company can also be subscribed by the employees, including the employees of the controlled companies or subsidiaries that meet certain conditions.

The new restricted employee shares issued by the Company can be issued to the employees, including the employees of the controlled companies or subsidiaries that meet certain conditions.

The Board of Directors is authorized to stipulate the said "certain conditions."



- Article 8 The Company's stock shares are ordered and are signed or stamped by the directors representing the Company, and issued after being certified lawfully from a bank permitted by law for issuance and certification of stocks. The Company may be exempted from printing any share certificate for the shares issued, the centralized securities depository institution should be contacted for registration.
- Article 9 Registration for transfer of shares shall be suspended 60 days immediately before the date of regular meeting of shareholders, and 30 days immediately before the date of any special meeting of shareholders, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.
- Article 10 The Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" published by the competent authority and the relevant law and regulations.

### **Chapter III Shareholders' meetings**

- Article 11 Shareholders' meetings shall be of two types: annual general meeting and extraordinary general meeting. The annual general meeting shall be convened at least once every year and shall be convened within 6 months after the close of each fiscal year. Extraordinary general meeting shall be convened at such time as may be deemed necessary pursuant to relevant laws and regulations.

The Company's shareholders' meeting can be convened by video conference or other means announced by the Ministry of Economic Affairs.

The meeting notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice of the shareholders' meeting to be given by an issuer to shareholders who own less than 1,000 shares of ordered stocks may be given in the form of a public announcement.

- Article 12 The chairman of the Company is to chair the shareholders' meeting when it is convened by the Board of Directors. When the chairman of the board is unable to attend the meeting for any cause whatsoever, the chairman shall appoint one of the directors to chair the meeting instead. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairman. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.
- Article 13 According to the regulations of the competent authority, the shareholders of the Company may also vote via an electronic voting system, and those who shall be

deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations. In case a shareholder is unable to attend a shareholders' meeting, he/she may issue proxy printed by the Company setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for the representative to be present on his/her behalf. The attendance of a shareholders' meeting by proxy should be processed in accordance with Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" published by the competent authority.

Article 14 Each shareholder of the Company shall be entitled to one vote for each share held, except for those who are restricted or have no voting rights as listed in Article 179, Paragraph 2 of the Company Act.

Article 15 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 15-1 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. The minutes of shareholders' meeting shall be prepared with the information of the date (MM/DD/YY) and place of the meeting, the details and results of the meeting, the name of the chairman, and the resolutions reached, which should be distributed to all shareholders within twenty (20) days after the end of the meeting and the meeting minutes shall be kept persistently throughout the duration of the Company. The meeting minutes in the preceding paragraph can be prepared and distributed electronically.

The distribution of the meeting minutes as stated in Paragraph 1 may be done by public announcement.

#### **Chapter IV Directors and Audit Committee**

Article 16 The Company may have five to nine directors appointed, and the number of candidates to be elected shall be determined by the Board of Directors within the quorum.

The Company has based on a candidate nomination system to have directors selected from the candidate list in the shareholders' meeting for a 3-year term and eligible for re-election. Independent directors and non-independent directors shall be elected together and the number of elected seats should be counted separately.

In case no election of new directors is effective after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 16-1 The independent directors among the number of directors of the Company must be not less than two persons, and must be not less than one-fifth of the number of directors.

The professional qualifications of independent directors, restrictions on both shareholding and concurrent positions held, method of nomination and selection, and other requirements with regard to the independent directors shall be set forth in accordance with the relevant regulations of the security regulatory authority.

Article 16-2 The Company has an Audit Committee formed in accordance with Article 14-4 of the Securities and Exchange Act, which is composed of all independent directors. The number of Audit Committee members shall not be less than three persons, one of them is the convener, and at least one of them possess accounting or finance expertise.

The Audit Committee or the members of the Audit Committee shall exercise the functions and powers of the supervisor as stipulated by the Company Act, Securities and Exchange Act, and other law and regulations.

Article 17 The directors shall organize the Board of Directors. The Chairman of the board should be elected who is to represent the company externally with the attendance of more than two-thirds of the directors and the consent of more than half of the directors present.

Article 18 In case the Chairman of the Board of Directors is on leave or unable to perform his duties for cause, the agent of the chairman shall act in accordance with Article 208 of the Company Act.

Article 19 In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, the Board of Directors shall call, within 60 days, an extraordinary general meeting to elect the succeeding directors to fill the vacancies for the remaining term of office of the dismissed directors.

Article 20 The Board of Directors is formed by the directors with the powers as follows:

1. Formulate business plans.
2. Formulate the distribution of earnings or covering of losses.
3. Formulate capital increase or decrease.
4. Proposed amendments to the articles of association of the company
5. Review and approve various important contracts.
6. Determine the appointment and dismissal of the President.
7. The establishment and abolition of branches and liaison offices.
8. Prepare budget and final account of the Company.
9. Determine the trade of real estate and investment in other companies.
10. Other duties and powers conferred by the Company Act and shareholders' meeting.

Article 21 Where the first meeting of each newly elected Board of Directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; however, the subsequent board meetings are to be chaired by the chairman of the board. Unless otherwise provided in the Company Act and

the Company's Articles of Incorporation, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. The director who is unable to attend the board meeting for any reason may appoint another director to act as his/her proxy.

The appointment of proxy referred to in the preceding paragraph is limited to one person with the scope of authorization with respect to the items on the meeting agenda specified in details.

Article 21-1 Directors of the Company should be informed of a board meeting 7 days in advance. However, a board meeting can be convened at any time in the event of an emergency.

The meeting notice in the preceding paragraph shall be prepared with the reasons specified and shall be issued in writing, by e-mail, or by fax.

Article 22 The Company may acquire liability insurance for the directors and key personnel who may incur damage compensation claims from stakeholders due to their business practice throughout the term of office or employment.

Article 23 The Board of Directors is authorized to determine the remuneration of the chairman and board directors according to their participation in the Company's operations, contribution value, and general standards of the industry.

## **Chapter V Management**

Article 24 The Company may have the President appointed with the appointment, dismissal, and remuneration processed in accordance with Article 29 of the Company Act.

## **Chapter VI Accounting**

Article 25 The fiscal year for the Corporation shall be from January 1 of each year to December 31 of the same year. Board of Directors shall prepare financial statements and records at the end of each fiscal year lawfully and then present them in the regular shareholders' meeting for recognition.

Article 26 If the Company makes profits (the so-called profit refers to the net income before tax deducting the distribution of remuneration to employees and directors) for the year, an amount equivalent to 3% or more of the profits should be appropriated as remuneration to employees and an amount equivalent to 3% or less of the profits appropriated as remuneration to directors. However, a respective amount should be reserved in advance to make up for the cumulative losses (including the amount adjusted to the undistributed earnings).

Remuneration for employees can be paid in the form of stock shares or cash while the remuneration to directors can be paid in cash only. The Board of Directors shall reach a resolution with more than two-thirds of the directors present and approved by more than half of the directors; Board of Directors shall also report it to the shareholders' meeting.

Employee remuneration in the preceding paragraph may also be distributed to the employees of the controlled companies or subsidiaries who meet certain conditions, and the said conditions are to be determined by the Board of Directors.

Article 26-1 If there is net income in the Company's annual final accounts, it should be applied in the order as shown below:

1. Payment of taxes.
2. Make up for accumulated losses (including the amount adjusted to undistributed earnings).
3. Setting aside 10% legal for reserve, except for when accumulated legal reserve has reached the Company's paid-in capital.
4. Appropriate or reverse special reserve in accordance with the regulations of the competent authority: When the Company provides for special reserve, if the "cumulative amount of net increase in fair value of investment properties in the prior period" and the "cumulative amount of net decrease in other equity in the prior period" is not sufficient, the same amount of special reserve should be provided from the prior period's undistributed earnings prior to the distribution of earnings. If the amount is not sufficient, the Company should further set aside from the current period's net profits after tax plus other items to be included in the current period's undistributed earnings.
5. The balance amount (referred to as "net income" hereinafter), if any, is to be distributed to shareholders along with the undistributed profit at the beginning of the same year according to the earnings distribution proposal of the Board of Directors, which shall be presented in the shareholders' meeting for resolutions.

In the case of distributing dividends to shareholders in the preceding paragraph or distributing all or part of the legal reserve and additional paid-in capital in the form of cash, a resolution must be adopted by a majority vote at the Board meeting attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.

In terms of the Company's dividend policy, the Company has the earnings distribution plan formed by taking into account the current and future development plans, capital needs, competition and changes in the industrial environment, shareholders' interests, and the Company's long-term financial planning. The Company's annual shareholder dividends are for an amount not less than 50% of the net income.

The distribution of earnings in the preceding paragraph can be made in the form of cash dividends or stock dividends. In order to respond to the growth of innovative electronic technology and to acknowledge the Company's entering a stable growth period currently, the distribution of earnings is given priority to cash dividends, and the distribution of stock dividends is also available. However, the distribution ratio of cash dividends shall not be less than 50% of the total dividends distributed in the current year.

## **Chapter VII Supplementary Provisions**

- Article 27    The Company's charter and enforcement rules shall be formulated separately by the Board of Directors.
- Article 28    Matters not specified in the Articles of Incorporation shall be resolved in accordance with the Company Act.
- Article 29    The Articles of Incorporation was formulated on June 16, 1980.  
The 1<sup>st</sup> amendment was made on June 16, 1980.  
The 2<sup>nd</sup> amendment was made on September 9, 1982.  
The 3<sup>rd</sup> amendment was made on October 19, 1983.  
The 4<sup>th</sup> amendment was made on October 9, 1986.  
The 5<sup>th</sup> amendment was made on January 6, 1987.  
The 6<sup>th</sup> amendment was made on May 9, 1987.  
The 7<sup>th</sup> amendment was made on December 14, 1989.  
The 8<sup>th</sup> amendment was made on July 15, 1990.  
The 9<sup>th</sup> amendment was made on September 10, 1990.  
The 10<sup>th</sup> amendment was made on October 1, 1990.  
The 11<sup>th</sup> amendment was made on October 15, 1990.  
The 12<sup>th</sup> amendment was made on August 15, 1991.  
The 13<sup>th</sup> amendment was made on August 9, 1992.  
The 14<sup>th</sup> amendment was made on April 2, 1993.  
The 15<sup>th</sup> amendment was made on April 15, 1998.  
The 16<sup>th</sup> amendment was made on April 28, 2000.  
The 17<sup>th</sup> amendment was made on April 20, 2001.  
The 18<sup>th</sup> amendment was made on June 10, 2002.  
The 19<sup>th</sup> amendment was made on June 15, 2004.  
The 20<sup>th</sup> amendment was made on June 14, 2005.  
The 21<sup>st</sup> amendment was made on June 14, 2006.  
The 22<sup>nd</sup> amendment was made on June 15, 2007.  
The 23<sup>rd</sup> amendment was made on June 13, 2008.  
The 24<sup>th</sup> amendment was made on June 10, 2009.  
The 25<sup>th</sup> amendment was made on June 15, 2010.  
The 26<sup>th</sup> amendment was made on June 12, 2012.  
The 27<sup>th</sup> amendment was made on June 15, 2015.  
The 28<sup>th</sup> amendment was made on June 15, 2016.  
The 29<sup>th</sup> amendment was made on June 14, 2018.  
The 30<sup>th</sup> amendment was made on June 13, 2019.  
The 31<sup>st</sup> amendment was made on August 20, 2021.  
The 32<sup>nd</sup> amendment was made on June 17, 2022.

## Appendix 3

### AUDIX CORPORATION

#### Shareholding of All Directors

1. The Company's paid-in capital amounts to NT\$1,055,956,150 with 105,595,615 shares issued.
2. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, therefore all directors of the Company shall hold at least 8,000,000 shares.
3. The shareholding of individual director and all directors recorded in the shareholder list as of date for book closure (April 18, 2023) is as follows:

Title	Name	Date elected	Term of office	The shareholding recorded in the shareholder list as of date for book closure	
				Shares	Ratio
Chairman	Chung, Yuan-Kai	06.17.2022	3 years	2,968,800	2.81%
Director	Chen, Ching-Tsung	06.17.2022	3 years	756,722	0.72%
Director	Chung, Cheng-Huang	06.17.2022	3 years	13,532,965 (including shareholding trust)	12.82%
Director	Lou, Chi-Hung	06.17.2022	3 years	1,789,793	1.69%
Director	Chung, Yuan-Chi	06.17.2022	3 years	2,870,039	2.72%
Total shareholdings of non-independent directors				<b>21,918,319</b>	<b>20.76%</b>
Independent Director	Lai, Wen-Hsien	06.17.2022	3 years	—	—
Independent Director	Yeh, Sen	06.17.2022	3 years	55,000	0.05%
Independent Director	Tsai, Yang-Cheng	06.17.2022	3 years	11,000	0.01%
Independent Director	Lai, Ying-Che	06.17.2022	3 years	—	—
Total shareholdings of all directors				<b>21,984,319</b>	<b>20.82%</b>

4. The shareholding of all directors of the Company has met the statutory requirements.
5. The Company has established an Audit Committee, hence there is no applicable legal requirement for supervisors to hold shares.