



# **PROLIFIC TECHNOLOGY INC.**

## **2025 Annual Shareholders' Meeting Minutes (Translation)**

**---DISCLAIMER---**

**THIS IS A TRANSLATION OF THE MINUTES FOR THE 2025 ANNUAL GENERAL MEETING (THE "MINUTES") OF PROLIFIC TECHNOLOGY INC. (THE "COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE MINUTES SHALL GOVERN BY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.**

Time: 9:00 a.m., June 4 (Wednesday), 2025

Location: Kang Ning Service Apartment-Conference hall (B1, No. 28, Lane 420, Sec. 5, Chenggong Rd., Neihu Dist. Taipei City 114, Taiwan

In Attendance: Total shares represented by shareholders present in person or by proxy is 50,503,451 shares (including the 13,291,330 shares represented by shareholders attending through electronic means), which makes up 62.28% of the total number of 81,081,896 issued shares of the Company.

Directors in Attendance:

Chang Ching-Tang; Lin Chin-shih; Liu Tay-Ho; Lin Jian-Hong (Legal person director representative)

Independent Directors in Attendance:

Liu Chin-Tang (Convener of Audit and Risk Committee); Cheng Ken-Yi (Convener of Salary and Remuneration Committee); Shih Kuo-Yang ; Hsu Cheng-Kun

Also in Attendance:

CPA Huang Yung-Hua at KPMG; Lawyer Siao Shou-Hou; Lin Ting-Yu (Chief Financial Officer of the Company)

Chairman: Chang Ching-Tang

Recorder: Chou Li-Chun

### **Call Meeting to order**

As of 9:00 AM, total shares represented by shareholders present in person or by proxy is 50,503,451 shares (including the 13,291,330 shares represented by shareholders attending through electronic means), which constituted a quorum. Pursuant to relevant laws, the Chairman called the meeting to order.

### **Chairman's address: (omitted)**

### **Report Items**

1. The business report of 2024.  
For the Business Report of 2024, please refer to Attachment I.
2. Audit and Risk Committee's review report of the 2024 Final Account Books Report.  
For the Audit and Risk Committee's Review Report, please refer to Attachment II.
3. The distribution of 2024 compensation to employees and remuneration to Directors is as follows:  
Implemented in accordance with Article 25 of the Company's Articles of Incorporation. For 2024, the compensation to employees was NT\$3,581,794; the remuneration to directors of the Company was NT\$573,088, accounting for about 10% and 1.6% of the pre-tax net profit before undistributed employee

compensation and director remuneration for the year respectively, which was distributed in cash. The aforementioned amounts were resolved by the Remuneration Committee and the Board of Directors of the Company, and are the same as the amount accrued in the financial statements of 2024.

4. The cash dividend distribution of the Company's 2024 earnings:

- (1) According to Article 25-1 of Articles of Incorporation, the Company would distribute all or part of the dividends in cash by the resolution of the board of directors. The resolution shall be reported to the shareholders' meeting.
- (2) Appropriate cash dividends of NT\$29,124,955 for shareholders, NT\$0.35920416 (calculated based on the Company's outstanding common shares of 81,081,896 shares on February 24, 2025) in cash per share, the distribution of the cash dividends shall be rounded down to the nearest NT\$1, rounded down below NT\$1. Total amount of irregular payments less than NT\$1 shall be credited to other revenue by the Company.
- (3) The proposal was passed by a resolution of the board of directors, and authorized the chairman of the board of directors to set another ex-dividend base date, payment date and other related matters to handle the issuance; In the event of changes in the number of outstanding common shares of the company resulting in adjustments to the per-share distribution amount to shareholders, the Chairman is authorized to handle all matters with full authority.

5. Other items to be reported

Report on the acceptance of shareholder proposals at this (2025) Annual Shareholders' Meeting as follow:

As of the announcement of the acceptance of period (from March 21, 2025 to March 31, 2025), no shareholder has submitted a written proposal to the Company in accordance with Article 172-1 of the Company Act.

## **Ratification and Discussion Items**

1. (Proposed by the Board)

### **CAUSE: Ratification of the 2024 business report and financial statements.**

Explanatory Notes:

The Company's 2024 Annual Individual Financial statements and Consolidated Financial Statements (please refer to the Attachment III, page 9 to 25 of this handbook) which were certificated by CPA Huang, Yung-Hua and CPA Yu, Sheng-Ho of KPMG, and an unqualified audit report was issued, as well as the business report (please refer to the Attachment I, page 5 to 7 of this handbook) were approved by the 11<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on March 4, 2025, and submitted for ratification.

(No questions from shareholders.)

Resolution:

As a result of the vote, the total number of votes in favor, including those cast electronically, was 50,009,038. There were 34,951 votes against, 0 invalid votes, and 459,462 abstentions or uncast votes. The votes in favor accounted for 99.02% of the total voting rights of the shareholders present, exceeding the statutory threshold. Therefore, the proposal was approved as submitted.

2. (Proposed by the Board)

### **CAUSE: Ratification of the 2024 Earnings Distribution.**

Explanatory Notes:

(1) The 2024 Earnings Distribution, see the attachment IV, page 26 of this handbook.

(2) The proposal was approved by 11<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on March 4, 2025, and submitted for ratification.

(No questions from shareholders.)

Resolution:

As a result of the vote, the total number of votes in favor, including those cast electronically, was 50,009,037. There were 34,950 votes against, 0 invalid votes, and 459,464 abstentions or uncast votes. The votes in favor accounted for 99.02% of the total voting rights of the shareholders present, exceeding the statutory threshold. Therefore, the proposal was approved as submitted.

3.

(Proposed by the Board)

**CAUSE: Amendment to the Articles of Incorporation.**

Explanatory Notes:

In accordance with the revised Securities and Exchange Act promulgated by Hua-Tsung-I-Yi-No. 11300069631 on August 7, 2024, we hereby propose to amend some provisions of our company's "Articles of Incorporation", the comparison table of amendments before and after is attached hereto as Attachment V, page 27 of this handbook.

(No questions from shareholders.)

Resolution:

As a result of the vote, the total number of votes in favor, including those cast electronically, was 50,008,829. There were 34,995 votes against, 0 invalid votes, and 459,627 abstentions or uncast votes. The votes in favor accounted for 99.02% of the total voting rights of the shareholders present, exceeding the statutory threshold. Therefore, the proposal was approved as submitted.

**Ad-Hoc Motions:** None.

**Meeting Adjourned**

The Chairman announced that the meeting was adjourned at 9:15 am on June 4, 2025.

(The video recording of this annual shareholder's meeting shall prevail in the event of any discrepancy between this meeting minutes and the video record)

## Attachment I

### **PROLIFIC TECHNOLOGY INC. 2024 Business Report**

The global economy has been booming due to the brilliant development of AI (Artificial Intelligence), which has led to unprecedented prosperity in the semiconductor industry in 2024. The main reasons are the demand for computing power brought by Generative AI, the surge in demand for memory-related semiconductors, and the gradual recovery of terminal demand such as mobile phones and PCs. Looking forward to the new year of 2025, there is no doubt that the AI trend will eventually play the main theme of the development of the technology industry. Although the confrontation between China and the United States and the regional political risks of "Trump 2.0" new policies will add a lot of uncertainty to the semiconductor business cycle, the Company still plans to increase investment and expand the layout of electromechanical integration fields such as sensors, motor controls, heat dissipation and power processing. In addition, it will accelerate the development of AI edge application platform products and seek simultaneous growth of new and old businesses to lay the foundation for sustained profits in the future.

#### **I. Results of the implementation of the 2024 business plan, as well as implementation of revenue operations and expenditure budget, analysis of profitability, and the status of research and development**

The revenue and net profit in 2024 are listed in the table below:

Unit: NT\$ 1,000

Item	2024	2023	Increase (decrease) amount
Consolidated net operating revenues	417,225	360,522	56,703
Consolidated operating cost	249,507	222,101	27,406
Consolidated operating gross profit	167,718	138,421	29,297
Consolidated net profit after tax	28,663	2,892	25,771
Consolidated EPS	0.36	0.04	0.32

The Company's consolidated net operating revenues totaled NT\$417,225 thousands in 2024, an increase of 16% from the previous year's NT\$360,522 thousands consolidated net profit after tax was NT\$28,663 thousands and increase of NT\$25,771 thousands compared with the previous year. In terms of profit margin, consolidated operating gross profit reached 40.2% in 2024, a slight increase of 1.8% compared with 38.4% in the previous year. The main reasons are the decrease in sales of low-margin USB standardized products and the increase in fan control-related chip sales. Benefiting from cost control and non-operating income, the after-tax net profit margin in 2024 stood at 6.9%, up 6.1% from 0.8% in the previous year. Earnings per share (EPS) was NT\$0.36, up NT\$0.32 from the previous year.

In terms of research and development, the Company has fully invested in the “AIoT (Artificial Intelligence of Things) Platform” and “Electromechanical Integration Platform” technologies, using the patent of Smart I/O to develop the “I-Bus Configurable Serial Interface Solution” to break through limitations and support multiple devices. Compared with the early USB, which can only be used by a single device, this solution can expand connectivity, and integrate sensors into hub devices to expand applications to smart farms and industrial control markets. Moreover, the newly developed USB3.2-USB3.2 products have built-in Virtual Hub function to realize the interconnection of devices and handheld devices with heterogeneous operating systems. This not only supports across different operating platforms, but also allows screen, network and other resource sharing and high-speed transmission between devices, providing an intuitive and easy-to-operate experience. As for electromechanical integration, the Company has relied on its deep expertise in Hall-magnetic sensors and fan motor drive chips to successfully launch a number of products, which are now widely used in home appliances, office automation and the automotive industry. The above products feature low starting voltage, high driving current and high stability, fully meeting the needs of various applications. Especially combined with the DSP Core instruction set, the “digital smart fan motor control solution” developed by the Company not only improves operational efficiency, reduces energy consumption and wiring costs, but also flexibly responds to the efficient cooling needs of various electronic devices.

## **II. 2025 operating policy**

### Business policy

The Company will continue to deepen its development capabilities, based on IC design, while also developing high-tech threshold integration solutions with the help of AI and software technology. In addition, based on client needs and market trends, it will expand the application areas of various platform products.

### Sales expectation and basis

Driven by the launch of new projects and the mass production of new products, we are cautiously optimistic about the future and estimate that sales volume in 2025 is expected to reach 120 million to 160 million units.

### Key production and sales policies

We will maintain close cooperation with strategic partners in Foundry and OSAT (Outsourced Semiconductor Assembly and Test) companies to improve production yields, strictly control inventory, and ensure the immediacy and stability of the supply chain. At the same time, we will continue to strengthen our services to existing customers and provide products and application solutions that are closer to their needs to expand new markets and new customers.

## **III. Future development strategy of the Company**

In view of the fact that the intelligence of daily life products requires various sensor chips that interact with the real environment, the Company is committed to developing high-precision sensor circuits, combining digital and analog technologies to provide higher-performance mixed-signal solutions. At the same time, by combining data collection and AI reinforcement learning technology, the system sensing accuracy and reliability are improved to meet the market's needs for high-performance and intelligent applications. The Company continues to focus on the dual platform technologies of “AIoT” and “mechatronics

integration" and integrates key technologies such as sensor connection, motor control, heat dissipation and power processing to provide the best solution in AI edge joint control management.

Talent is the core competitiveness of the IC design industry. In addition to actively recruiting talents in the fields of analog circuits, sensors and AI applications, the Company has also improved the entire training and development mechanism to inject new impetus for growth. At the same time, it plans to establish cooperation with well-known research institutions and key industrial enterprises to accelerate the product development process, thus meeting the increasingly diversified needs of the market.

Regarding ESG (Environmental, Social, Governance), on issues such as climate change, net-zero and sustainable operations, the Company has established a sustainable development promotion team, which takes active actions from the aspects of "corporate governance", "R&D innovation", "sustainable environment" and "friendly workplace and social care", develops low-power energy-saving products, promotes carbon inventory and carbon reduction plans, and hopes to implement green operations with practical actions and strive for sustainability.

#### **IV. Impact of external competition, regulations and overall business environment**

"Generative AI" opens up unlimited possibilities and drives the vigorous development of various applications. At the same time, AI computing power begins to penetrate from the cloud to the edge. These technologies promote the comprehensive development of smart applications and bring more future growth opportunities to the semiconductor industry. However, the new changes in chip protectionism set off by "Trump 2.0" have made all chip manufacturers nervous. These policy adjustments, localization of supply chains, tariff protection and inflation are expected to have a considerable impact on the semiconductor industry.

In this era of great turbulence and opportunities, only by flexibly grasping market changes and strengthening technological innovation and industrial cooperation can we move forward and grow steadily amidst rapid global changes. In the face of opportunities and challenges, the Company will combine market and technology strategic partners, uphold the spirit of "PROLIFIC TECHNOLOGY, Exploring New Ideas" and continue to use research and development, innovation, and pragmatic business philosophy to provide customers with the best product solutions, and hope to optimize corporate competitiveness and adaptability to create maximum benefits for shareholders.

Chairman:  
Chang Ching-Tang

Manager:  
Chang Ching-Tang

Accounting Supervisor:  
Liao Yu-Mei



## Attachment II

### Prolific Technology Inc. Audit and Risk Committee's review report of the 2024

The Board of Directors has prepared and submitted the Company's 2024 business report, financial statements (including consolidated financial statements) and the profit distribution proposal, among which the financial statements (including consolidated financial statements) had been audited by Huang Yung-Hua and Yu Sheng-Ho, CPAs of KPMG, who also provided an auditor's report. The all above reports and statements prepared by Board of Directors have been verified by the Audit and Risk Committee to be without any discrepancies. This report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review and approve the same.

Sincerely,

2025 Annual Shareholders' Meeting

Prolific Technology Inc.

The convener of the Audit and Risk Committee: Liu Chin-Tang

March 4, 2025

# Attachment III

## Independent Auditors' Report

To the Board of Directors of Prolific Technology Inc.:

### Opinion

We have audited the financial statements of Prolific Technology Inc.( “the Company” ), which comprise the balance sheet as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

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

#### 1. Impairment of accounts receivable

Please refer to Note 4(f) for accounting policy for the impairment of accounts receivable. For the assessment of impairment of accounts receivable, please refer to Note 6(d).

Description of key audit matter:

The Company engages in business primarily with clients which are involved in the distribution of mold and electronic parts with credit term, which make the Company vulnerable to credit risk. The credit status of customers will affect the impairment assessment of accounts receivable and need continuous attention. Also, the accounts receivable is an important asset item in the financial report. Therefore, the assessment of impairment of accounts receivable needed to be taken into serious consideration.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing whether the Company's impairment of accounts receivable has been set aside in accordance with the Company's policy, including inquiring from the management if they had identified the debtors who have financial difficulties; selecting a moderate number of samples from the account aging statements to ensure the accuracy of the statements, and understanding the reason on overdue accounts; assessing the uncollectable accounts receivable for the appropriateness of impairment assessment of accounts receivable; assessing the appropriateness and adequacy for doubtful accounts made by the management based on the subsequent collection of accounts receivable.

2. Evaluation of inventory

Please refer to Note 4(g) for accounting policy for inventories. Note 5 and Note 6(e) for accounting assumptions and judgments, and major sources of estimation uncertainty of the financial statements.

Description of key audit matter:

Evaluation of inventory is one of the key judgmental areas for our audit, the Company is primarily involved in the research, development, design and sales of integrated circuits. As different series or models of electronic products are rapidly being replaced by new ones, it may impact the inventory of the older ones to be slow-moving, or worse yet, stagnant, thus, may result the cost of inventory to be higher than the net realized value. The assessment of the net realized value of inventory requires subjective judgements of the management, which is the major source of estimation uncertainty.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the inventories valuation policies of the Company; assessing whether appropriate inventory policies are applied through comparison with accounting standards; retroactively inspecting the reasonability for allowance provided on inventory valuation in the past and compare it to the current year to ensure that the measurements and assumptions are reasonable; and inspecting the inventory sales status subsequent to the reporting date.

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yung-Hua Huang and Sheng-Ho Yu.

KPMG

Taipei, Taiwan (Republic of China)  
March 4, 2025

#### Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**PROLIFIC TECHNOLOGY INC.**

## Balance Sheets

December 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents	\$ 470,075	35	479,651	40	2170	Accounts payable	\$ 33,441	2	24,984	2
1110	Current financial assets at fair value through profit or loss	62,835	5	37,260	3	2219	Other payables	14,340	1	1,600	-
1170	Notes and accounts receivable, net	65,154	5	43,117	4	2280	Current lease liabilities	1,075	-	1,058	-
130X	Inventories	75,174	5	74,406	6	2305	Other financial liabilities and current liabilities	48,026	4	41,865	4
1470	Other financial assets and current assets	10,526	1	10,532	1			96,882	7	69,507	6
		683,764	51	644,966	54						
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1517	Non-current financial assets at fair value through other comprehensive income	425,693	31	328,187	28	2580	Non-current lease liabilities	33,800	3	34,874	3
1550	Investments accounted for using equity method, net	1,370	-	1,340	-	25XX	Non-current liabilities	2,882	-	2,882	-
1600	Property, plant and equipment	95,160	7	92,156	8			36,682	3	37,756	3
1755	Right-of-use assets	33,338	2	34,608	3		<b>Total liabilities</b>	133,564	10	107,263	9
1760	Investment property, net	66,949	5	68,715	5		<b>Equity</b>				
1780	Intangible assets	20,882	2	4,931	-	3100	Ordinary shares	802,379	59	796,099	67
1840	Deferred income tax assets	10,182	1	13,182	1	3140	Capital in advance	662	-	4,531	-
1990	Other non-current assets	16,631	1	10,896	1	3200	Capital surplus	132,069	10	134,857	11
		670,205	49	554,015	46		Retained earnings:				
						3310	Legal reserve	4,370	-	4,281	-
						3350	Retained earnings	32,361	2	892	-
								36,731	2	5,173	-
							Other equity:				
						3421	Unrealized gain or loss on equity instruments at fair value through other comprehensive income	248,564	19	151,058	13
							<b>Total equity</b>	1,220,405	90	1,091,718	91
<b>Total assets</b>		<b>\$ 1,353,969</b>	<b>100</b>	<b>1,198,981</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$ 1,353,969</b>	<b>100</b>	<b>1,198,981</b>	<b>100</b>

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

**PROLIFIC TECHNOLOGY INC.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in thousands of New Taiwan Dollars , except for earnings per share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenues</b>	\$ 417,225	100	360,522	100
5000	<b>Operating costs</b>	249,507	60	222,101	62
	<b>Gross profit from operations</b>	167,718	40	138,421	38
	<b>Operating expenses:</b>				
6100	Selling expenses	17,831	4	15,592	4
6200	Administrative expenses	58,397	14	57,673	16
6300	Research and development expenses	105,100	25	97,606	27
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	26	-	(10)	-
		181,354	43	170,861	47
	<b>Net operating loss</b>	(13,636)	(3)	(32,440)	(9)
	<b>Non-operating income and expenses:</b>				
7100	Interest income	6,380	2	5,796	2
7010	Other income	33,755	8	28,740	8
7020	Other gains and losses	5,755	1	1,534	-
7050	Finance costs	(621)	-	(634)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	30	-	(104)	-
		45,299	11	35,332	10
	<b>Profit before income tax</b>	31,663	8	2,892	1
7950	<b>Less: income tax expenses</b>	3,000	1	-	-
7900	<b>Profit</b>	28,663	7	2,892	1
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	3,698	1	(2,000)	(1)
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	97,506	23	72,843	20
8300	<b>Other comprehensive income (after tax)</b>	101,204	24	70,843	19
	<b>Comprehensive income</b>	<b>\$ 129,867</b>	<b>31</b>	<b>73,735</b>	<b>20</b>
	<b>Basic earnings per share (NT dollars)</b>	<b>\$ 0.36</b>		<b>0.04</b>	
	<b>Diluted earnings per share (NT dollars)</b>	<b>\$ 0.36</b>		<b>0.04</b>	

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

**PROLIFIC TECHNOLOGY INC.**

**Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(Expressed in thousands of New Taiwan Dollars)**

	Share capital		Capital surplus	Retained earnings		Other equity Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	Total equity
	Ordinary shares	Capital in advance		Legal reserve	Retained earnings		
<b>Balance on January 1, 2023</b>	\$ 796,099	-	129,081	-	42,805	78,215	1,046,200
Profit for the year ended December 31, 2023	-	-	-	-	2,892	-	2,892
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(2,000)	72,843	70,843
Comprehensive income for the year ended December 31, 2023	-	-	-	-	892	72,843	73,735
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	-	4,281	(4,281)	-	-
Cash dividends of ordinary share	-	-	-	-	(38,524)	-	(38,524)
Issuance of shares exercised as employee stock options	-	4,531	-	-	-	-	4,531
Employee stock option remuneration costs	-	-	5,776	-	-	-	5,776
Balance on December 31, 2023	796,099	4,531	134,857	4,281	892	151,058	1,091,718
Profit for the year ended December 31, 2024	-	-	-	-	28,663	-	28,663
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	3,698	97,506	101,204
Comprehensive income for the year ended December 31, 2024	-	-	-	-	32,361	97,506	129,867
Legal reserve appropriated	-	-	-	89	(89)	-	-
Cash dividends on ordinary share	-	-	(15,974)	-	(803)	-	(16,777)
Issuance of shares exercised as employee stock options	6,280	(3,869)	11,173	-	-	-	13,584
Employee stock option remuneration costs	-	-	2,013	-	-	-	2,013
<b>Balance on December 31, 2024</b>	<b>\$ 802,379</b>	<b>662</b>	<b>132,069</b>	<b>4,370</b>	<b>32,361</b>	<b>248,564</b>	<b>1,220,405</b>



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**PROLIFIC TECHNOLOGY INC.**

**Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

(Expressed in thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 31,663	2,892
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	12,108	8,188
Amortization expense	4,144	3,095
Gain on financial assets at fair value through profit or loss	(575)	(260)
Interest expense	621	634
Interest revenue	(6,380)	(5,796)
Dividend income	(15,038)	(12,485)
Share-based payments compensation cost	2,013	5,776
Share of loss (profit) of associates accounted for using equity method	(30)	104
Recognition losses on (reversal of) inventory valuation and obsolescence	(112)	6,775
Others	(20)	(217)
<b>Total adjustments to reconcile profit (loss)</b>	<u>(3,269)</u>	<u>5,814</u>
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through profit or loss	(25,000)	(37,000)
Notes and accounts receivable	(22,063)	4,509
Inventories	(656)	34,355
Other financial assets and other current assets	(1,713)	1,332
Other non-current assets	(237)	(430)
<b>Total changes in operating assets</b>	<u>(49,669)</u>	<u>2,766</u>
Accounts payable	8,457	(17,342)
Other current liabilities	6,073	(5,534)
<b>Total changes in operating liabilities</b>	<u>14,530</u>	<u>(22,876)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(35,139)</u>	<u>(20,110)</u>
<b>Total adjustments</b>	<u>(38,408)</u>	<u>(14,296)</u>
Cash outflow generated from operations	(6,745)	(11,404)
Interest received	6,380	5,796
Dividends received	15,038	12,485
Interest paid	(575)	(591)
Income taxes paid	(81)	(181)
<b>Net cash flows from operating activities</b>	<u>14,017</u>	<u>6,105</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(30,660)
Acquisition of property, plant and equipment	(11,819)	(669)
Acquisition of intangible assets	(7,524)	(1,843)
<b>Net cash flows used in investing activities</b>	<u>(19,343)</u>	<u>(33,172)</u>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(1,057)	(1,041)
Cash dividends paid	(16,777)	(38,524)
Exercise of employee share options	13,584	4,531
<b>Net cash flows used in financing activities</b>	<u>(4,250)</u>	<u>(35,034)</u>
Decrease in cash and cash equivalents	(9,576)	(62,101)
Cash and cash equivalents at beginning of period	479,651	541,752
Cash and cash equivalents at end of period	<u><u>\$ 470,075</u></u>	<u><u>479,651</u></u>

## **Representation Letter**

The entities that are required to be included in the combined financial statements of PROLIFIC TECHNOLOGY INC. as of and for the year ended December 31, 2024 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 International Financial Reporting Standards No. 10 “Consolidated Financial Statements.” endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, PROLIFIC TECHNOLOGY INC. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: PROLIFIC TECHNOLOGY INC.

Chairman: CHING TANG CHANG

Date: March 4, 2025

## **Independent Auditors' Report**

To the Board of Directors of Prolific Technology Inc.:

### **Opinion**

We have audited the consolidated financial statements of Prolific Technology Inc. and its subsidiaries ( “the Group” ), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( “IFRSs” ), International Accounting Standards ( “IASs” ), Interpretations developed by the International Financial Reporting Interpretations Committee ( “IFRIC” ) or the former Standing Interpretations Committee ( “SIC” ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

#### **1. Impairment of accounts receivable**

Please refer to Note 4(g) for accounting policy for the impairment of accounts receivable. For the assessment of impairment of accounts receivable, please refer to Note 6(d).

Description of key audit matter:

The Group engages in business primarily with clients which are involved in the distribution of mold and electronic parts with credit term, which make the Group vulnerable to credit risk. The credit status of customers will affect the impairment assessment of accounts receivable and need continuous attention. Also, the accounts receivable is an important asset item in the consolidated financial report. Therefore, the assessment of impairment of accounts receivable needed to be taken into serious consideration.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing whether the Group's impairment of accounts receivable has been set aside in accordance with the Group's policy, including inquiring from the management if they had identified the debtors who have financial difficulties; selecting a moderate number of samples from the account aging statements to ensure the accuracy of the statements, and understanding the reason on overdue accounts; assessing the uncollectable accounts receivable for the appropriateness of impairment assessment of accounts receivable; assessing the appropriateness and adequacy for doubtful accounts made by the management based on the subsequent collection of accounts receivable.

## 2. Evaluation of inventory

Please refer to Note 4(h) for accounting policy for inventories. Note 5 and Note 6(e) for accounting assumptions and judgments, and major sources of estimation uncertainty of the consolidated financial statements.

Description of key audit matter:

Evaluation of inventory is one of the key judgmental areas for our audit, the Group is primarily involved in the research, development, design and sales of integrated circuits. As different series or models of electronic products are rapidly being replaced by new ones, it may impact the inventory of the older ones to be slow-moving, or worse yet, stagnant, thus, may result the cost of inventory to be higher than the net realized value. The assessment of the net realized value of inventory requires subjective judgements of the management, which is the major source of estimation uncertainty.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the inventories valuation policies of the Group; assessing whether appropriate inventory policies are applied through comparison with accounting standards; retroactively inspecting the reasonability for allowance provided on inventory valuation in the past and compare it to the current year to ensure that the measurements and assumptions are reasonable; and inspecting the inventory sales status subsequent to the reporting date.

## Other Matter

PROLIFIC TECHNOLOGY INC. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huang, Yung-Hua and Yu, Sheng-Ho.

KPMG

Taipei, Taiwan (Republic of China)  
March 4, 2025

#### Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**PROLIFIC TECHNOLOGY INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan Dollars)**

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023				
		Amount	%	Amount	%			Amount	%	Amount	%			
Assets														
Current assets:														
1100	Cash and cash equivalents	\$	471,491	34	481,057	40	2170	Accounts payable	\$	33,441	2	24,984	2	
1110	Current financial assets at fair value through profit or loss		62,835	5	37,260	3	2219	Other payables		14,340	1	1,600	-	
1170	Notes and accounts receivable, net		65,154	5	43,117	4	2280	Current lease liabilities		1,075	1	1,058	-	
130X	Inventories		75,174	6	74,406	6	2305	Other financial liabilities and current liabilities		48,072	4	41,931	4	
1470	Other financial assets and current assets		10,526	1	10,532	1				96,928	8	69,573	6	
			685,180	51	646,372	54								
Non-current assets:														
1517	Non-current financial assets at fair value through other comprehensive income		425,693	31	328,187	28	2580	Non-current lease liabilities		33,800	2	34,874	3	
1600	Property, plant and equipment		95,160	7	92,156	7	25XX	Non-current liabilities		2,882	-	2,882	-	
1755	Right-of-use assets		33,338	2	34,608	3				36,682	2	37,756	3	
1760	Investment property, net		66,949	5	68,715	6				133,610	10	107,329	9	
1780	Intangible assets		20,882	2	4,931	-								
1840	Deferred income tax assets		10,182	1	13,182	1								
1990	Other non-current assets		16,631	1	10,896	1								
			668,835	49	552,675	46								
Total assets		\$	1,354,015	100	1,199,047	100				\$	1,354,015	100	1,199,047	100

**PROLIFIC TECHNOLOGY INC. AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in thousands of New Taiwan Dollars , except for earnings per share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b>	\$ 417,225	100	360,522	100
5000	<b>Operating costs</b>	249,507	60	222,101	62
	<b>Gross profit from operations</b>	167,718	40	138,421	38
	<b>Operating expenses:</b>				
6100	Selling expenses	17,831	4	15,592	4
6200	Administrative expenses	58,514	14	57,822	16
6300	Research and development expenses	105,100	25	97,606	27
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	26	-	(10)	-
		181,471	43	171,010	47
	<b>Net operating loss</b>	(13,753)	(3)	(32,589)	(9)
	<b>Non-operating income and expenses:</b>				
7100	Interest income	6,434	2	5,841	2
7010	Other income	33,755	8	28,740	8
7020	Other gains and losses	5,848	1	1,534	-
7050	Finance costs	(621)	-	(634)	-
		45,416	11	35,481	10
	<b>Profit before income tax</b>	31,663	8	2,892	1
7950	<b>Less: income tax expenses</b>	3,000	1	-	-
	<b>Profit</b>	28,663	7	2,892	1
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	3,698	1	(2,000)	(1)
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	97,506	23	72,843	21
8300	<b>Other comprehensive income (after tax)</b>	101,204	24	70,843	20
	<b>Comprehensive income</b>	<b>\$ 129,867</b>	<b>31</b>	<b>73,735</b>	<b>21</b>
	<b>Profit attributable to:</b>				
	Owners of parent	<b>\$ 28,663</b>	<b>7</b>	<b>2,892</b>	<b>1</b>
	<b>Comprehensive income attributable to:</b>				
	Owners of parent	<b>\$ 129,867</b>	<b>31</b>	<b>73,735</b>	<b>21</b>
	<b>Basic earnings per share (NT dollars)</b>	<b>\$ 0.36</b>		<b>0.04</b>	
	<b>Diluted earnings per share (NT dollars)</b>	<b>\$ 0.36</b>		<b>0.04</b>	



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**PROLIFIC TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(Expressed in thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Total equity
	Share capital		Retained earnings			Other equity	
	Ordinary shares	Capital in advance	Capital surplus	Legal reserve	Retained earnings	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	
<b>Balance on January 1, 2023</b>	\$ 796,099	-	129,081	-	42,805	78,215	1,046,200
Profit for the year ended December 31, 2023	-	-	-	-	2,892	-	2,892
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(2,000)	72,843	70,843
Comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	892	72,843	73,735
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	-	4,281	(4,281)	-	-
Cash dividends of ordinary share	-	-	-	-	(38,524)	-	(38,524)
Issuance of shares exercised as employee stock options	-	4,531	-	-	-	-	4,531
Employee stock option remuneration costs	-	-	5,776	-	-	-	5,776
Balance on December 31, 2023	796,099	4,531	134,857	4,281	892	151,058	1,091,718
Profit for the year ended December 31, 2024	-	-	-	-	28,663	-	28,663
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	3,698	97,506	101,204
Comprehensive income for the year ended December 31, 2024	-	-	-	-	32,361	97,506	129,867
Legal reserve appropriated	-	-	-	89	(89)	-	-
Cash dividends on ordinary share	-	-	(15,974)	-	(803)	-	(16,777)
Issuance of shares exercised as employee stock options	6,280	(3,869)	11,173	-	-	-	13,584
Employee stock option remuneration costs	-	-	2,013	-	-	-	2,013
<b>Balance on December 31, 2024</b>	<b>\$ 802,379</b>	<b>662</b>	<b>132,069</b>	<b>4,370</b>	<b>32,361</b>	<b>248,564</b>	<b>1,220,405</b>

**PROLIFIC TECHNOLOGY INC. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 31,663	2,892
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	12,108	8,188
Amortization expense	4,144	3,095
Gain on financial assets at fair value through profit or loss	(575)	(260)
Interest expense	621	634
Interest revenue	(6,434)	(5,841)
Dividend income	(15,038)	(12,485)
Share-based payments compensation cost	2,013	5,776
Recognition losses on (reversal of) inventory valuation and obsolescence	(112)	6,775
Others	(20)	(217)
<b>Total adjustments to reconcile profit (loss)</b>	<b>(3,293)</b>	<b>5,665</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable	(22,063)	4,509
Inventories	(656)	34,355
Other financial assets and other current assets	(1,713)	1,332
Financial assets at fair value through profit or loss	(25,000)	(37,000)
Other non-current assets	(237)	(430)
<b>Total changes in operating assets</b>	<b>(49,669)</b>	<b>2,766</b>
Accounts payable	8,457	(17,342)
Other payables, other financial liabilities and current liabilities	6,053	(5,533)
<b>Total changes in operating liabilities</b>	<b>14,510</b>	<b>(22,875)</b>
<b>Total changes in operating assets and liabilities</b>	<b>(35,159)</b>	<b>(20,109)</b>
<b>Total adjustments</b>	<b>(38,452)</b>	<b>(14,444)</b>
Cash outflow generated from operations	(6,789)	(11,552)
Interest received	6,434	5,841
Dividends received	15,038	12,485
Interest paid	(575)	(591)
Income taxes paid	(81)	(181)
<b>Net cash flows from operating activities</b>	<b>14,027</b>	<b>6,002</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(30,660)
Acquisition of property, plant and equipment	(11,819)	(669)
Acquisition of intangible assets	(7,524)	(1,843)
<b>Net cash flows used in investing activities</b>	<b>(19,343)</b>	<b>(33,172)</b>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(1,057)	(1,041)
Cash dividends paid	(16,777)	(38,524)
Exercise of employee share options	13,584	4,531
<b>Net cash flows used in financing activities</b>	<b>(4,250)</b>	<b>(35,034)</b>
Net decrease in cash and cash equivalents	(9,566)	(62,204)
Cash and cash equivalents at beginning of period	481,057	543,261
Cash and cash equivalents at end of period	<b>\$ 471,491</b>	<b>481,057</b>

Attachment IV

**PROLIFIC TECHNOLOGY INC.**

**The 2024 Earnings Distribution**

(In New Taiwan Dollars)

Item	Amount
Unappropriated earnings, opening balance	0
Plus: Net Income of 2024	28,663,061
Plus: Re-measurements of Defined Benefit Plan Recognized in Retained Earnings	3,698,000
Minus: 10% Legal Reserve	(3,236,106)
Earnings available for distribution	29,124,955
Distribution items:	
Dividend to shareholders - Cash	(29,124,955)
Unappropriated earnings, end of period	0

Chairman:  
Chang Ching-Tang

Manager:  
Chang Ching-Tang

Accounting Supervisor:  
Liao Yu-Mei

## PROLIFIC TECHNOLOGY INC.

### Comparison Table of Amended the Articles of Incorporation

Article	Current Articles	Amended Articles	Description
25	<p>When company makes a profit in the year (the so-called profit means the pre-tax benefits deducted the benefits before the distribution of employee remuneration and directors' remuneration), it shall be allocated not less than 6% for employee remuneration and not more than 2% for directors' remuneration. However, when the Company has accumulated losses (including adjusting the amount of unallocated surpluses), the amount of compensation should be reserved in advance.</p> <p>The employee compensation in the preceding paragraph can be paid in stocks or cash, and the payment objects may include the employees of parents or subsidiaries of the Company, the terms and means of which shall be determined by the Board of directors. The directors' remuneration in the preceding paragraph is only paid in cash.</p> <p>The preceding two paragraphs shall be decided by the Board of directors and reported to the shareholders' meeting.</p>	<p>When company makes a profit in the year (the so-called profit means the pre-tax benefits deducted the benefits before the distribution of employee remuneration and directors' remuneration), it shall be allocated not less than 6% for employee remuneration <u>(no less than 20% of the amount of employee remuneration in this item shall be distributed to grassroots employees)</u>; and not more than 2% for directors' remuneration. However, when the Company has accumulated losses (including adjusting the amount of unallocated surpluses), the amount of compensation should be reserved in advance.</p> <p>The employee compensation in the preceding paragraph can be paid in stocks or cash, and the payment objects may include the employees of parents or subsidiaries of the Company, the terms and means of which shall be determined by the Board of directors. The directors' remuneration in the preceding paragraph is only paid in cash.</p> <p>The preceding two paragraphs shall be decided by the Board of directors and reported to the shareholders' meeting.</p>	In line with the amendment to amendment to Article 14, Item 6 of the Securities and Exchange Act
28	<p>(Omitted in front)</p> <p>The twenty-third Amendment was on June 8, 2022.</p>	<p>(Omitted in front)</p> <p>The twenty-third Amendment was on June 8, 2022.</p> <p><u>The twenty-fourth Amendment was on June 4, 2025.</u></p>	Add revision date