



PROLIFIC TECHNOLOGY INC.

2025 Annual Shareholders' Meeting Handbook (Translation)

Time: June 4, 2025

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

---DISCLAIMER---

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2025 ANNUAL GENERAL MEETING (THE "AGENDA") 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 AGENDA SHALL GOVERN BY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Prolific Technology Inc.
(The “Company”)
2025 Annual Shareholders’ Meeting
Meeting Agenda

Type of Meeting : Physical Meeting

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

1. Call Meeting to order
2. Chairman’s address
3. Report Items
 - (1) The business report of 2024.
 - (2) Audit and Risk Committee’s review report of the 2024 Final Account Books Report.
 - (3) The distribution of 2024 compensation to employees and remuneration to Directors.
 - (4) The cash dividend distribution of the Company's 2024 earnings.
 - (5) Other items to be reported.
4. Ratification and Discussion Items
 - (1) Ratification of the 2024 business report and financial statements.
 - (2) Ratification of the 2024 Earnings Distribution.
 - (3) Amendment to the Articles of Incorporation.
5. Ad-Hoc Motions
6. Meeting Adjourned

Report Items

1. The business report of 2024.

For the Business Report of 2024, please refer to Attachment I, from page 5 to 7 of this handbook.

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, at page 8 of this handbook.

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 11th meeting of the 13th Board of Directors on March 4, 2025, and submitted for ratification.

Resolution:

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 11th meeting of the 13th Board of Directors on March 4, 2025, and submitted for ratification.

Resolution:

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.

Resolution:

Ad-Hoc Motions

Meeting Adjourned

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			
		Amount	%	Amount	%			Amount	%	Amount	%		
Assets													
Current assets:													
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							
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	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				133,564	10	107,263	9
1760	Investment property, net		66,949	5	68,715	5							
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
								Total equity		1,220,405	90	1,091,718	91
Total assets		\$	1,353,969	100	1,198,981	100		Total liabilities and equity	\$	1,353,969	100	1,198,981	100

(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)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues	\$ 417,225	100	360,522	100
5000	Operating costs	249,507	60	222,101	62
	Gross profit from operations	167,718	40	138,421	38
	Operating expenses:				
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
	Net operating loss	(13,636)	(3)	(32,440)	(9)
	Non-operating income and expenses:				
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
	Profit before income tax	31,663	8	2,892	1
7950	Less: income tax expenses	3,000	1	-	-
7900	Profit	28,663	7	2,892	1
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
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	Other comprehensive income (after tax)	101,204	24	70,843	19
	Comprehensive income	\$ 129,867	31	73,735	20
	Basic earnings per share (NT dollars)	\$ 0.36		0.04	
	Diluted earnings per share (NT dollars)	\$ 0.36		0.04	

(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		
Balance on January 1, 2023	\$ 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
Balance on December 31, 2024	\$ 802,379	662	132,069	4,370	32,361	248,564	1,220,405

(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>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 31,663	2,892
Adjustments:		
Adjustments to reconcile profit (loss):		
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)
Total adjustments to reconcile profit (loss)	<u>(3,269)</u>	<u>5,814</u>
Changes in operating assets and liabilities:		
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)
Total changes in operating assets	<u>(49,669)</u>	<u>2,766</u>
Accounts payable	8,457	(17,342)
Other current liabilities	6,073	(5,534)
Total changes in operating liabilities	<u>14,530</u>	<u>(22,876)</u>
Total changes in operating assets and liabilities	<u>(35,139)</u>	<u>(20,110)</u>
Total adjustments	<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)
Net cash flows from operating activities	<u>14,017</u>	<u>6,105</u>
Cash flows from (used in) investing activities:		
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)
Net cash flows used in investing activities	<u>(19,343)</u>	<u>(33,172)</u>
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(1,057)	(1,041)
Cash dividends paid	(16,777)	(38,524)
Exercise of employee share options	13,584	4,531
Net cash flows used in financing activities	<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)

Assets		December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:						Current liabilities:							
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 liabilities:						
Non-current assets:						2580	Non-current lease liabilities		33,800	2	34,874	3	
1517	Non-current financial assets at fair value through other comprehensive income		425,693	31	328,187	28	25XX	Non-current liabilities		2,882	-	2,882	-
1600	Property, plant and equipment		95,160	7	92,156	7				36,682	2	37,756	3
1755	Right-of-use assets		33,338	2	34,608	3	Total liabilities						
1760	Investment property, net		66,949	5	68,715	6	Equity attributable to owners of parent :						
1780	Intangible assets		20,882	2	4,931	-	3100	Ordinary shares		802,379	59	796,099	66
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	12
			668,835	49	552,675	46		Retained earnings:					
							3310	Legal reserve		4,370	1	4,281	-
							3350	Retained earnings		32,361	2	892	-
										36,731	3	5,173	-
								Other equity:					
							3421	Unrealized gain or loss on equity instruments at fair value through other comprehensive income		248,564	18	151,058	13
								Total equity		1,220,405	90	1,091,718	91
								Total liabilities and equity		\$ 1,354,015	100	1,199,047	100

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue	\$ 417,225	100	360,522	100
5000	Operating costs	249,507	60	222,101	62
	Gross profit from operations	167,718	40	138,421	38
	Operating expenses:				
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
	Net operating loss	(13,753)	(3)	(32,589)	(9)
	Non-operating income and expenses:				
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
	Profit before income tax	31,663	8	2,892	1
7950	Less: income tax expenses	3,000	1	-	-
	Profit	28,663	7	2,892	1
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
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	Other comprehensive income (after tax)	101,204	24	70,843	20
	Comprehensive income	\$ 129,867	31	73,735	21
	Profit attributable to:				
	Owners of parent	\$ 28,663	7	2,892	1
	Comprehensive income attributable to:				
	Owners of parent	\$ 129,867	31	73,735	21
	Basic earnings per share (NT dollars)	\$ 0.36		0.04	
	Diluted earnings per share (NT dollars)	\$ 0.36		0.04	

(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	
Balance on January 1, 2023	\$ 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
Balance on December 31, 2024	\$ 802,379	662	132,069	4,370	32,361	248,564	1,220,405

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)**

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 31,663	2,892
Adjustments:		
Adjustments to reconcile profit (loss):		
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)
Total adjustments to reconcile profit (loss)	<u>(3,293)</u>	<u>5,665</u>
Changes in operating assets and liabilities:		
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)
Total changes in operating assets	<u>(49,669)</u>	<u>2,766</u>
Accounts payable	8,457	(17,342)
Other payables, other financial liabilities and current liabilities	6,053	(5,533)
Total changes in operating liabilities	<u>14,510</u>	<u>(22,875)</u>
Total changes in operating assets and liabilities	<u>(35,159)</u>	<u>(20,109)</u>
Total adjustments	<u>(38,452)</u>	<u>(14,444)</u>
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)
Net cash flows from operating activities	<u>14,027</u>	<u>6,002</u>
Cash flows from (used in) investing activities:		
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)
Net cash flows used in investing activities	<u>(19,343)</u>	<u>(33,172)</u>
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(1,057)	(1,041)
Cash dividends paid	(16,777)	(38,524)
Exercise of employee share options	13,584	4,531
Net cash flows used in financing activities	<u>(4,250)</u>	<u>(35,034)</u>
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	<u><u>\$ 471,491</u></u>	<u><u>481,057</u></u>

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	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. 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. The preceding two paragraphs shall be decided by the Board of directors and reported to the shareholders' meeting.	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. 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. The preceding two paragraphs shall be decided by the Board of directors and reported to the shareholders' meeting.	In line with the amendment to amendment to Article 14, Item 6 of the Securities and Exchange Act
28	(Omitted in front) The twenty-third Amendment was on June 8, 2022.	(Omitted in front) The twenty-third Amendment was on June 8, 2022. <u>The twenty-fourth Amendment was on June 4, 2025.</u>	Add revision date

Appendix I

PROLIFIC TECHNOLOGY INC. ARTICLES OF INCORPORATION (Before amendment)

Section I – General Provisions

Article 1

The Company is incorporated in accordance with the Company Act of the Republic of China, and is named 旺玖科技股份有限公司 in the Chinese language, and “Prolific Technology Inc.” in the English language.

Article 2

The scope of business of the Company shall be as follows:

1. Researching, developing, and designing computer peripherals and display.
2. Researching, developing, designing and sales of integrated circuits.
3. Researching, developing, designing, agency and sales of electronic parts, substrate modules and electronic products.
4. Developing, designing and sales of computer software and related products.
5. Import and export business of integrated circuit electronic parts, electronic substrate group and electronic products.
6. Agency and sales of the preceding products.
7. Trading, import and export of telecommunications equipment.
8. F401010 International trade.
9. ZZ99999 In addition to licensing business, the operation of the act is not prohibited or restricted business.

Article 3

The Company may provide endorsement and guarantees to others when necessary for its business.

Article 4

The total amount of the Company's reinvestment shall not be subject to the limitations of Article 13 of the Company Law.

Article 5

The Company shall have its head office in Taipei City and to set up branch offices in appropriate place upon approval of government authorities in charge when necessary.

Article 6

(Deleted)

Section II – Capital Stock

Article 7

The total capital stock of the Company shall be in the amount of NT\$1,500,000,000, divided into 150,000,000 shares, at a par value of NT\$10 each, and the remaining of the un-issued shares may be issued in installments thereafter upon the resolution of the Board of directors. In addition, the Company may issue share certificates in large denomination upon the request of Taiwan Securities Central Depository Co., Ltd.

The amount of capital in the preceding paragraph, NT\$100,000,000 shall be reserved for the issuance of employee stock options, a total of 10,000,000 shares, with a par value of NT\$10 each, which would be issued in installments in accordance with the resolution of the board of directors. The Company would buy back any of its outstanding shares in accordance with the law upon the resolution of the board of directors.

To transfer shares to employees at less than the average actual share repurchase price, or issue employee stock options at less than net value/market price per share, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 7-1

The Company transfers the bought back shares to employees may include employees of parents or subsidiaries of the Company meeting certain specific requirements.

The object of the employee stock options issued by the Company to employees, may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

When the Company issues new shares, the new shares reserved for subscription by employees, may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

The object of the new restricted employee shares issued by the Company to employees, may including the employees of parents or subsidiaries of the Company meeting certain specific requirements.

The certain specific requirements in the above four preceding paragraph shall be determined by the Board of directors.

Article 8

The share certificates of the Company shall be issued in registered form after being signed or affixed with the seals of directors representing the Company, numbered and authenticated by competent authorities or any agency approved by the competent authority.

Upon the issuance of shares, the Company may elect not to issue any share certificate after the shares have been registered through a centralized securities custody institution.

Article 9

Registration of shares transfer shall be suspended 60 days before the date of regular Shareholders' Meeting, and 30 days 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 Company.

Article 10

The administration of shareholder services of the Company shall be executed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

Section III – Shareholders' Meetings**Article 11**

Shareholders' meetings of the Company are of two types, namely:

(1) regular meetings and

(2) special meetings.

Regular meetings shall be convened, by the board of directors, within 6 months after the close of each fiscal year. Special meetings shall be convened pursuant to the applicable laws when necessary.

Article 12

Unless otherwise provided by the Company Law, a shareholders' meeting resolution shall be adopted by a majority vote in a shareholders' meeting attended by shareholders in person or proxies representing a majority of the Company's issued shares.

Article 13

Unless otherwise provided in article 179 of the Company Act, each shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 13-1

The voting rights via electronic transmission shall be adopted when the Company convenes a shareholders' meeting. The subject which the voting rights at the shareholders' meeting could be exercised by way of electronic transmission as well as the methods of exercising shall be described in the shareholders' meeting notice to be given to the shareholders. All the relevant operations shall be subject to the Company Act and other relevant rules.

A shareholders' meeting of the Company can be held by video conferences or other methods promulgated by the central competent authority, relevant operating procedures and matters to be followed shall be handled in accordance with the relevant provisions of the competent authorities.

Article 14

Where a shareholder is unable to attend shareholders' meeting, such shareholder may appoint a proxy to attend in his/her/its behalf by executing a power of attorney printed by the Company

stating therein the scope of power authorized to the proxy. All the relevant operations shall be subject to Article 177 of the Company Act and in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 15

The chairman shall preside the shareholders' meeting when the meeting is convened by the Board of directors. In case the chairman of the Board of directors is on leave, absent or cannot exercise his/her power and authority for any cause, the chairman of the Board of directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of directors. whereas for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 16

The resolutions of shareholders' meeting shall be recorded in the minutes, which shall be affixed with the signature or seal of the chairman of the Board of directors or the chair of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the office of the Company. The minutes shall be distributed to all shareholders within 20 days after the close of meeting. After the public offering of shares of the Company, the distribution of the minutes of shareholders' meeting may be effected by means of a public notice.

Section IV – Board of Directors and Audit committee

Article 17

The Company appointed five to nine directors, of whom the number of independent directors shall not be less than three and shall not be less than one fifth of the directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office for Directors shall be 3 years, and all directors shall be eligible for re-election. The Board of directors is authorized to determine the number of Directors.

The total shareholding of the directors shall be subjected to the provisions prescribed by the relevant securities' regulatory authority.

Directors elected by the nomination system shall be adopted by the Company. The nomination of directors and related election shall comply with relevant regulations of the Company Act and Securities and Exchange Law. The election of independent directors shall subject to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and other relevant regulations. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately.

In compliance with Articles 14-4 of the Securities and Exchange Law, The Company shall establish an Audit Committee, which shall be responsible for those responsibilities of Supervisors specified under the Company Act, the Securities and Exchange La and other relevant regulations.

The Audit Committee shall be composed of all independent directors, not less than three members, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The relevant organizational procedures shall be determined by resolution of the Board of directors.

Article 18

The chairman of the board shall be elected from among directors by a majority vote at a board meeting attended by more than two-thirds of the directors, who shall represent the Company externally.

Article 19

Notices for convening the meetings of the Board of directors shall be delivered to each director no later than seven days prior to the meeting, however, in the event of emergency, the meeting can be convened anytime without prior notice. The notices would be delivered in forms of written, E-mail or fax.

The chairman of the Board of directors shall preside over all meetings of the Board of directors. In case the chairman of the Board of directors is on leave, absent or cannot exercise his/her power and authority for any cause, the chairman of the Board of directors shall designate one of the

directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. Each director shall attend meetings of the Board of directors in person. In case the director is unable to attend a meeting of board of directors, he/she may, in accordance with law, issue a power of attorney listing the scope of authorization for the convening of the matter and appoint one of the other directors as his/her proxy to attend the meeting. A director may only act as the proxy of one other director. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20

Unless otherwise provided for in the laws, any resolution at a board meeting shall be adopted if voted in favor by the majority present at a board meeting at which more than one half of the directors are present.

Article 21

(Deleted)

Article 22

The remuneration of the chairman and directors is authorized to be decided by a Board of Director's meeting depending on their involvement in the Company's operation and value of contribution to the Company, with the standard generally adopted by other local or foreign enterprises in the same industry. The Company may purchase the liability insurance for the directors.

Section V – Managerial officers

Article 23

The Company shall have a general manager. The appointment, discharge and remuneration shall be decided in accordance with Article 29 of the Company Act.

Section VI – Accounting

Article 24

After the close of each fiscal year, the following reports shall be prepared by the Board of directors, and submitted to the regular shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements;
3. Proposal Concerning the Distribution of Earnings or Covering of Losses.

Article 25

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.

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.

The preceding two paragraphs shall be decided by the Board of directors and reported to the shareholders' meeting.

Article 25-1

If the Company's annual final accounts have net profit after tax, the accumulated losses (including adjustment of the unallocated surplus amount) shall be made up first, and set aside a legal capital reserve at 10% of the remaining earnings provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Company; in addition, according to the Company's operating needs and legal requirements, the special surplus reserve shall be listed or converted. If there is still surplus, and the undistributed surplus at the beginning of the same period (including adjustment of the amount of undistributed surplus), the board of directors shall

draft a surplus distribution proposal and submit it to the shareholders' meeting for distribution by resolution.

The Company's dividend distribution policy needs to take into account for future operating needs, long-term financial planning and shareholders' rights and interests. However, the Company's business is a technology industry and is currently in the stage of operational growth, considering future capital expenditure budget and cash requirements, the Company's cash dividends is not less than 10% of the total amount of cash dividend and stock dividend in that fiscal year.

The Company would distribute all or part of the dividends in cash by the resolution of the Board of directors' with more than two-thirds of the directors present and resolution of more than half of the directors present. The resolution shall be report to the shareholders' meeting.

When the company distributes the capital reserve or statutory surplus reserve, the Board of directors may pass a resolution with more than two-thirds of the directors attended, and a resolution with more than half of the directors presented. The distribution should be in cash and report at the shareholders meeting.

Section VII – Supplementary Provisions

Article 26

The internal organization of the Company and the detailed procedures of business operation shall be in accordance with the resolution of the Board of directors.

Article 27

Regarding all matters not provided for in these Articles of Incorporation shall be handled in accordance with the Company Law and other relevant laws and regulations shall govern.

Article 28

These Articles of Incorporation were entered into on October 20, 1997

The first Amendment was on November 7, 1997

The second Amendment was on April 29, 1998

The third Amendment was on May 20, 1998

The fourth Amendment was on July 6, 1998

The fifth Amendment was on November 10, 1998

The sixth Amendment was on December 19, 2000

The seventh Amendment was on May 8, 2001

The eighth Amendment was on June 28, 2002

The ninth Amendment was on June 18, 2003

The tenth Amendment was on June 18, 2003

The eleventh Amendment was on May 18, 2004

The twelfth Amendment was on June 14, 2006

The thirteenth Amendment was on June 13, 2007

The fourteenth Amendment was on June 13, 2008

The fifteenth Amendment was on June 16, 2009

The sixteenth Amendment was on June 15, 2010

The seventeenth Amendment was on June 15, 2011

The eighteenth Amendment was on June 13, 2012

The nineteenth Amendment was on June 25, 2014

The twentieth Amendment was on June 8, 2016

The twenty-first Amendment was on June 19, 2019

The twenty-second Amendment was on June 10, 2020

The twenty-third Amendment was on June 8, 2022.

Prolific Technology Inc.

Chairman: Chang Ching-Tang

Appendix II

PROLIFIC TECHNOLOGY INC.

Rules and Procedures for Shareholders' Meeting

Approved by the Shareholders' Meeting on June 7, 2023

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days prior the date of a regular shareholders meeting or 15 days prior the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days prior the date of the regular shareholders meeting or 15 days prior to the date of the special shareholders meeting. In addition, 15 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform via electronic files.

3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an ad-hoc motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any ad-hoc motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder who made the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of directors shall explain the reasons for exclusion of any shareholder proposals which are not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company five days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company in two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company in two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance and other matters for attention.

The time during which shareholder attendance registrations, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, 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.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may submit a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

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

Article 7

If a shareholders meeting is convened by the Board of directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select one person among themselves to serve as chair.

When a designated managing director or a director serves as chair, as referred to in the preceding paragraph, the designated managing director or director shall be the one who has held that position for

six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the Board of directors be chaired by the chairperson of the Board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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 chair from among themselves.

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

Article 8

The Company shall make an uninterrupted audio and video recording from the beginning, including the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record the proceedings of the virtual meeting from beginning to end without interruption.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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; 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 in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the Board of directors, the meeting agenda shall be set by the Board of directors. Votes shall be cast on each separate proposal in the agenda (including ad-hoc motions and amendments to the original proposals set out in the agenda). 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 chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including ad-hoc motions), except by a resolution of the shareholders meeting. If the chair 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 chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or ad-hoc motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

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 chair.

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.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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.

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

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 chair declaring the meeting open until the chair 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. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders,

the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the ad-hoc motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of ad-hoc motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days prior the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means which the voting rights were exercised, prior two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and through appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote by the majority voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair 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, against for and the number of abstentions, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in publicly during shareholders meeting. After vote counting has been completed, results of the voting, including statistical tallies of the numbers of votes, shall be announced and recorded at the meeting immediately.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting opens, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends. Results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend meeting online in accordance with Article 6 but then decided to attend physical shareholders meeting in person, they shall revoke their registration two days prior the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

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 ad-hoc

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.

Article 14

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, the voting results shall be announced at shareholder meeting immediately, including names of those elected as directors and supervisors, numbers of votes which they were elected, names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded into meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained with the existence of Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall all be included in the minutes. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of number of shares obtained by solicitors through solicitation, number of shares represented by proxies and number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In a virtual shareholders meeting, the Company shall upload materials mentioned above to the virtual meeting platform at least 30 minutes before meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within prescribed time period.

Article 17

Staff participating administrative duties of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel are maintaining order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort he/she from the meeting.

Article 18

When a meeting is in progress, the chair may announce for break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including ad-hoc motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

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 after the chair has announced the meeting adjourned.

Article 20

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same physical location, the chair shall declare the address of their location when the meeting is called to order.

Article 21

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights 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.

During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further 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 and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, 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.

When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix III

Prolific Technology Inc. Shareholdings of all Directors

1. As of April 6, 2025, the number of outstanding ordinary shares of the Company was 81,081,896 shares.
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, the minimum shareholding of the all of the Company's directors shall be 10% of its issued and outstanding shares. The Company has elected four independent directors and has an Audit Committee, the shareholding ratio of all the directors (excluding the independent directors) is reduced to 80% of the above minimum shareholding ratio. The minimum number of shares that all directors should hold is 6,486,551 shares.
3. As of the ex-rights date of the shareholders' meeting (April 6, 2025), the shareholding status of all directors recorded in the Company's shareholders' roster is as follows:

Title	Name	Shares held	% of issued shares
Chairman	Chang Ching-Tang	7,264,442	8.96%
Director	Lin Chin-Shih	-	-
Director	Liu Tay-Ho	-	-
Director	Provista Incorporation	100,000	0.12%
Independent Director	Cheng Ken-Yi	-	-
Independent Director	Liu Chin-Tang	100,000	0.12%
Independent Director	Shih Kuo-Yang	-	-
Independent Director	Hsu Cheng-Kun	-	-
Total (excluding independent directors)		7,364,442	9.08%
Total (including independent directors)		7,464,442	9.21%