

Stock Code: 6233



# **PROLIFIC TECHNOLOGY INC.**

## **2026 Annual Shareholders' Meeting Handbook (Translation)**

**Time: June 10, 2026**

**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 2026 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”)  
**2026 Annual Shareholders’ Meeting**  
**Meeting Agenda**

Type of Meeting : Physical Meeting

Time: 9:00 a.m., June 10 (Wednesday), 2026

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 2025.
  - (2) Audit and Risk Committee’s review report of the 2025 Final Account Books Report.
  - (3) Report on the distribution of 2025 earnings as cash dividends.
  - (4) Report on the Company’s 15th Share Buyback Status.
  - (5) Other report matters.
4. Recognition Items
  - (1) Ratification of the 2025 business report and financial statements.
  - (2) Ratification of the 2025 Earnings Distribution.
5. Discussion Items  
Proposal for Amendments to the "Procedures for Acquisition or Disposal of Assets".
6. Election Item  
Proposal for the Election of the 14th Term of Director.
7. Other Motion  
Proposal to Release the 14th Term Directors from Non-competition Restrictions.
8. Ad-Hoc Motions
9. Meeting Adjourned

## Report Items

1. The business report of 2025.  
For the Business Report of 2025, please refer to Attachment I, from page 7 to 8 of this handbook.
2. Audit and Risk Committee's review report of the 2025 Final Account Books Report.  
For the Audit and Risk Committee's Review Report, please refer to Attachment II, at page 9 of this handbook.
3. The cash dividend distribution of the Company's 2025 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\$59,266,422 for shareholders, NT\$0.75 (calculated based on the Company's outstanding common shares of 79,021,896 shares on March 2, 2026) 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.
4. Report on the Company's 15th Share Buyback Status.

Share Repurchase	15th Tranche
Purpose of Repurchase	Transfer shares to employees
Scheduled Repurchase Period	2025/12/4~2026/2/2
Planned Number of Shares to be Repurchased	2,000,000 common shares
Maximum Repurchase Amount	NT\$146,772,162
Planned Repurchase Price Range	NT\$13.83 to NT\$29.73 per share. The Company will continue to execute the share repurchase if the market price falls below the lower limit of the specified range.
Actual Repurchase Period	2025/12/4~2026/1/7
Actual Number of Shares Repurchased	2,000,000 common shares
Total Actual Repurchase Amount	NT\$44,657,402
Average Repurchase Price per Share	NT\$22.33 元
Percentage of Shares Repurchased vs. Planned (%)	100%

Share Repurchase	15th Tranche
Number of Shares Cancelled or Transferred	0 股
Cumulative Shares Held by the Company	2,000,000 common shares
Percentage of Total Issued Shares Held (%)	2.47%

5. Other items to be reported

Report on the acceptance of shareholder proposals at this (2026) Annual Shareholders' Meeting as follow:

As of the announcement of the acceptance of period (from March 30, 2026 to April 8, 2026), no shareholder has submitted a written proposal or nomination to the Company in accordance with Article 172-1 and 192-1 of the Company Act.

## **Ratification Items**

1. (Proposed by the Board)

**CAUSE: Ratification of the 2025 business report and financial statements.**

Explanatory Notes:

The Company's 2025 Annual Individual Financial statements and Consolidated Financial Statements (please refer to the Attachment III, page 10 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 7 to 8 of this handbook) were approved by the 17<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on March 10, 2026, and submitted for ratification.

Resolution:

2. (Proposed by the Board)

**CAUSE: Ratification of the 2025 Earnings Distribution.**

Explanatory Notes:

(1) The 2025 Earnings Distribution, see the attachment IV, page 26 of this handbook.

(2) The proposal was approved by 17<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on March 10, 2026, and submitted for ratification.

Resolution:

## **Discussion Items**

(Proposed by the Board)

### **CAUSE: Proposal for Amendments to the "Procedures for Acquisition or Disposal of Assets".**

Explanatory Notes:

- (1) In accordance with practical requirements, the 'Procedures for Acquisition or Disposal of Assets' are hereby proposed for partial amendment. The comparison table of amendments before and after is attached hereto as Attachment V, page 27 to 36 of this handbook.
- (2) The proposal was approved by 17<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on March 10, 2026, and submitted for approval and ratification.

Resolution:

## **Election Item**

(Proposed by the Board)

### **CAUSE: Election of the 14<sup>th</sup> Board of Directors of the Company.**

Explanatory Notes:

- (1) The 13<sup>th</sup> Board of Directors of the Company was elected at the 2023 Annual General Meeting of Shareholders, and the term of office valid till June 6, 2026; however, when the term of office expires before re-election, the executive duties may be extended in accordance with the law until the re-elected directors take office.
- (2) According to Article 17, the Company intends to elect 7 directors (including 4 independent directors) for the 14<sup>th</sup> term of the Board. The new directors will take office upon the completion of this Annual Shareholders' Meeting for a term of 3 years (from June 10, 2026, to June 9, 2029). The 13<sup>th</sup> Board of Directors shall vacate their office upon the inauguration of the 14<sup>th</sup> Board of Directors.
- (3) In accordance with Article 17 of the Company's Articles, the election of directors of the Company adopts a candidate nomination system. The Board of Directors (including independent directors) candidate list was reviewed and approved according to Article 192-1 and the "Measures for the Appointment of Independent Directors of Public Offering Companies and Matters to be Followed" at the 17<sup>th</sup> meeting of the 13<sup>th</sup> term Board of Directors on March 10, 2026, the details of the candidates are listed in Attachment VI, page 37 to 39 of this handbook.

Resolution:

## **Other Motion**

(Proposed by the Board)

### **CAUSE: Discussion of release from non-compete restrictions on the Company's 14<sup>th</sup> term directors.**

Explanatory Notes:

- (1) In accordance with Article 209, paragraph 1 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- (2) This Annual Shareholders' Meeting will elect the 14<sup>th</sup> term of the Company's directors. Under the prospect that the Directors can assist the Company smoothly expand its business, and to avoid the possibility of competition in which the 14<sup>th</sup> term directors, at the time of their election, serve as directors of other companies with the same or similar business scope as the Company, it is proposed at this Annual Shareholders' Meeting to release the non-compete restrictions on the 14<sup>th</sup> term of directors of the Company in accordance with Article 209, paragraph 1.
- (3) The details of request to release the non-compete restrictions on the 14<sup>th</sup> term director candidates (including independent directors) are listed in Attachment VII, page 40 of this handbook; however, this will only apply to the candidates who are elected as directors (including independent directors).

Resolution:

## **Ad-Hoc Motions**

## **Meeting Adjourned**

## PROLIFIC TECHNOLOGY INC. 2025 Business Report

In 2025, the global economy benefited from the wave of AI data center infrastructure construction, and cloud computing experienced explosive growth over the past year. The AI wave has squeezed memory production capacity and impacted the mobile phone and personal computer (PC/NB) markets, leading to increased costs for various electronic products, and global inflationary pressures remain severe. Looking ahead to 2026, AI is expected to extend from the cloud to the edge (Edge AI), continuing to play a key role in the development of the technology industry. Given the ongoing US-China technology competition, the uncertainty of the Trump 2.0 Administration's trade policies, and factors such as supply chain localization and geopolitics, the semiconductor industry's investment and market strategy are facing significant challenges.

In response to the industrial restructuring, the Company will employ a "revitalizing investment benefits" financial strategy, especially accelerating the development of core electromechanical integration technologies, including sensors, motor control, and thermal management. Meanwhile, the Company will focus on developing system platforms for edge AI applications, using Smart IO as its core technology. In the future, by enhancing the added value of its developed products, the Company aims to not only drive the transformation of existing businesses and foster new business growth, but also strengthen its long-term profitability and operational resilience.

### I. 2025 Operating Results and Performance

#### 1. Business Performance and Profitability Analysis

The summary of the consolidated financial statements for 2025 is as follows:

Item	2025	2024	Increase (decrease) amount
Consolidated net operating revenues	387,503	417,225	(29,722)
Consolidated operating cost	239,402	249,507	(10,105)
Consolidated operating gross profit	148,101	167,718	(19,617)
Consolidated net profit after tax	(12,421)	28,663	(41,084)
EPS	(0.16)	0.36	(0.52)

Unit: NT\$ Thousand

The Company's consolidated net operating revenues totaled NT\$387,503 thousand in 2025, down by 7% from the previous year's NT\$417,225 thousand. Consolidated net loss after tax was NT\$12,421 thousand, an increase of NT\$41,084 thousand compared with the previous year. In terms of profit margin, consolidated operating gross profit reached 38.2% in 2025, a slight decline of 2% compared with 40.2% in the previous year. This is mainly due to the impact of production and processing, which led to a decline in both sales volume and gross profit of fan control-related chips.

#### 2. Overview of Research and Development

1. **AIoT (Artificial Intelligence of Things) Platform:** Our company has long been committed to USB 3.2 cross-platform support technology. We have successfully utilized the core technology of "Virtual Hub" to dynamically generate physical devices, combining software-defined virtual devices and redirection mechanisms to achieve resource sharing (including screens, keyboards, mice, and network resources). This advanced technology enables high-speed transmission and interconnection between PCs/notebooks and mobile devices, providing users with an excellent experience.

- 2. Electromechanical Integration Platform:** Primarily focused on the ongoing research and development of AI machine learning applications for motor health diagnosis. This platform acquires motor status data (I/V/PWM/T, etc.) and performs DSP signal processing and model optimization to achieve Preventive Maintenance (PdM), effectively improving production efficiency. It also extends equipment lifespan and enhances the benefits of IoT applications.

## II. Summary of Business Plan for 2026

### 1. Business Strategy

We will continue to deepen our expertise in core IC design technologies, combining them with integrated solutions that address the high technical barriers of AI and software development. We are customer-demand oriented and committed to expanding the application areas of our platform products.

### 2. Expected Sales Volume and Basis

Smart IO and new products related to automotive and gaming fans have entered mass production, and the Company's product portfolio is gradually becoming complete. Overall sales volume in 2026 is expected to outperform that of 2025, with revenue returning to a growth trajectory.

### 3. Key Production and Sales Policies

We will continue to strengthen strategic cooperation with wafer foundries and packaging and testing companies, including improving production efficiency and ensuring capacity. Furthermore, we will implement inventory control to ensure supply chain stability. In terms of business, in addition to continuing to cultivate existing customers and providing customized application solutions, we will actively explore new markets and customers.

## III. Future Development Strategy of the Company

- **Technological Innovation:** Our company currently holds patents for the USB Sensor Hub + I-Bus technology, which supports hot-swapping and high scalability for up to 127 devices. Future plans include combining sensing and computing platforms to accelerate the development of edge AI thermal management and motor control management products.
- **Talent and Ecosystem Development:** We plan to recruit professionals in analog circuits, sensors, and AI, and seek partnership ties with academic/research institutions and key enterprises to jointly build a win-win and symbiotic AI ecosystem.
- **Sustainable Development (ESG):** The Company plans to establish a Sustainable Development Promotion Team to work with its Japanese strategic partners on magnetic sensing technology and magnet precision machining technology to improve motor performance. This move also demonstrates the Company's efforts to implement green operations and achieve net-zero emissions goals.

## IV. Impact of External Competition, Regulations and Overall Business Environment

Generative AI is driving comprehensive intelligent applications and bringing new opportunities to the semiconductor industry. Faced with rapidly changing international trade policies and the continued localization of supply chains, the future impact on the industry cannot be ignored. Adhering to the corporate motto of "PROLIFIC Technology, Exploring New Ideas," the Company will flexibly respond to market changes and continuously strengthen technological innovation to create maximum benefits for its 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 2025

The Board of Directors has prepared and submitted the Company's 2025 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 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,

2026 Annual Shareholders' Meeting

Prolific Technology Inc.  
The convener of the Audit and Risk Committee: Liu Chin-Tang

March 10, 2026

# 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, 2025 and 2024, 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, 2025 and 2024, 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. 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 10, 2026

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

**Balance Sheets**

**December 31, 2025 and 2024**

(Expressed in thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents	\$ 485,808	32	470,075	35	2170	Accounts payable	\$ 35,309	2	33,441	2
1110	Current financial assets at fair value through profit or loss	75,912	5	62,835	5	2219	Other payables	6,580	1	14,340	1
1170	Notes and accounts receivable, net	56,788	4	65,154	5	2230	Current tax liabilities	2,600	-	-	-
130X	Inventories	62,341	4	75,174	5	2280	Current lease liabilities	1,050	-	1,075	-
1470	Other financial assets and current assets	41,063	3	10,526	1	2305	Other financial liabilities and current liabilities	54,315	4	48,026	4
		<u>721,912</u>	<u>48</u>	<u>683,764</u>	<u>51</u>			<u>99,854</u>	<u>7</u>	<u>96,882</u>	<u>7</u>
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1517	Non-current financial assets at fair value through other comprehensive income	550,172	37	425,693	31	2580	Non-current lease liabilities	31,441	2	33,800	3
1550	Investments accounted for using equity method, net	1,257	-	1,370	-	25XX	Non-current liabilities	2,882	-	2,882	-
1600	Property, plant and equipment	92,676	6	95,160	7			<u>34,323</u>	<u>2</u>	<u>36,682</u>	<u>3</u>
1755	Right-of-use assets	30,769	2	33,338	2			<u>134,177</u>	<u>9</u>	<u>133,564</u>	<u>10</u>
1760	Investment property, net	65,183	4	66,949	5	<b>Equity:</b>					
1780	Intangible assets	12,692	1	20,882	2	3100	Ordinary shares	810,219	54	802,379	59
1840	Deferred income tax assets	6,885	1	10,182	1	3140	Capital in advance	-	-	662	-
1990	Other non-current assets	18,721	1	16,631	1	3200	Capital surplus	145,599	10	132,069	10
		<u>778,355</u>	<u>52</u>	<u>670,205</u>	<u>49</u>		Retained earnings:				
						3310	Legal reserve	7,606	1	4,370	-
						3350	Retained earnings	77,542	5	32,361	2
								<u>85,148</u>	<u>6</u>	<u>36,731</u>	<u>2</u>
							Other equity:				
						3421	Unrealized gain or loss on equity instruments at fair value through other comprehensive income	373,740	24	248,564	19
						3400	Unearned compensation	(13,248)	(1)	-	-
								<u>360,492</u>	<u>23</u>	<u>248,564</u>	<u>19</u>
						3500	Treasury shares	(35,368)	(2)	-	-
								<u>1,366,090</u>	<u>91</u>	<u>1,220,405</u>	<u>90</u>
							<b>Total equity</b>				
<b>Total assets</b>		<u>\$ 1,500,267</u>	<u>100</u>	<u>1,353,969</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 1,500,267</u>	<u>100</u>	<u>1,353,969</u>	<u>100</u>

(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, 2025 and 2024**

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

	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 <b>Operating revenues</b>	\$ 387,503	100	417,225	100
5000 <b>Operating costs</b>	239,402	62	249,507	60
<b>Gross profit from operations</b>	<u>148,101</u>	<u>38</u>	<u>167,718</u>	<u>40</u>
<b>Operating expenses:</b>				
6100 Selling expenses	17,233	5	17,831	4
6200 Administrative expenses	62,814	16	58,397	14
6300 Research and development expenses	112,887	29	105,100	25
6450 Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(22)	-	26	-
	<u>192,912</u>	<u>50</u>	<u>181,354</u>	<u>43</u>
<b>Net operating loss</b>	<u>(44,811)</u>	<u>(12)</u>	<u>(13,636)</u>	<u>(3)</u>
<b>Non-operating income and expenses:</b>				
7100 Interest income	6,393	2	6,380	2
7010 Other income	31,495	8	33,755	8
7020 Other gains and losses	1,097	-	5,755	1
7050 Finance costs	(585)	-	(621)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	(113)	-	30	-
	<u>38,287</u>	<u>10</u>	<u>45,299</u>	<u>11</u>
<b>Profit(loss) before income tax</b>	<u>(6,524)</u>	<u>(2)</u>	<u>31,663</u>	<u>8</u>
7950 <b>Less: income tax expenses</b>	<u>5,897</u>	<u>1</u>	<u>3,000</u>	<u>1</u>
7900 <b>Profit(loss)</b>	<u>(12,421)</u>	<u>(3)</u>	<u>28,663</u>	<u>7</u>
8300 <b>Other comprehensive income (loss):</b>				
8310 <b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311 Gains on remeasurements of defined benefit plans	1,721	-	3,698	1
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	213,418	55	97,506	23
8300 <b>Other comprehensive income (after tax)</b>	<u>215,139</u>	<u>55</u>	<u>101,204</u>	<u>24</u>
<b>Comprehensive income</b>	<u>\$ 202,718</u>	<u>52</u>	<u>129,867</u>	<u>31</u>
<b>Basic earnings(Loss) per share (NT dollars)</b>	<u>\$ (0.16)</u>		<u>0.36</u>	
<b>Diluted earnings per share (NT dollars)</b>			<u>\$ 0.36</u>	

(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, 2025 and 2024**

(Expressed in thousands of New Taiwan Dollars)

	Share capital		Retained earnings		Other equity		Treasury shares	Total 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			Others
<b>Balance on January 1, 2024</b>	\$ 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	
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	89	(89)	-	-	-	
Cash dividends of 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	
Loss for the year ended December 31, 2025	-	-	-	-	(12,421)	-	-	(12,421)	
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	1,721	213,418	-	215,139	
Comprehensive income for the year ended December 31, 2025	-	-	-	-	(10,700)	213,418	-	202,718	
Legal reserve appropriated	-	-	-	3,236	(3,236)	-	-	-	
Cash dividends on ordinary share	-	-	-	-	(29,125)	-	-	(29,125)	
Issuance of shares exercised as employee stock options	240	(662)	422	-	-	-	-	-	
Increase in treasury share	-	-	-	-	-	-	(35,368)	(35,368)	
Issuance of employee restricted shares	8,200	-	12,181	-	-	-	(20,381)	-	
Retirement of restricted shares	(600)	-	600	-	-	-	-	-	
Share-based payment transaction	-	-	327	-	-	-	7,133	7,460	
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	88,242	(88,242)	-	-	
<b>Balance on December 31, 2025</b>	<b>\$ 810,219</b>	<b>-</b>	<b>145,599</b>	<b>7,606</b>	<b>77,542</b>	<b>373,740</b>	<b>(13,248)</b>	<b>1,366,090</b>	

**PROLIFIC TECHNOLOGY INC.****Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>(Loss) profit before tax</b>	\$ (6,524)	31,663
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	14,575	12,108
Amortization expense	8,190	4,144
Gain on financial assets at fair value through profit or loss	(1,077)	(575)
Interest expense	585	621
Interest revenue	(6,393)	(6,380)
Dividend income	(14,568)	(15,038)
Share-based payments compensation cost	7,460	2,013
Share of loss (profit) of associates accounted for using equity method	113	(30)
Recognition losses on (reversal of) inventory valuation and obsolescence	344	(112)
Others	107	(20)
<b>Total adjustments to reconcile profit (loss)</b>	<u>9,336</u>	<u>(3,269)</u>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable	8,388	(22,063)
Inventories	12,489	(656)
Other financial assets and other current assets	(22)	(1,713)
Other non-current assets	(370)	(237)
Total changes in operating assets	<u>20,485</u>	<u>(24,669)</u>
Accounts payable	1,868	8,457
Other current liabilities	(1,804)	6,073
Total changes in operating liabilities	<u>64</u>	<u>14,530</u>
Total changes in operating assets and liabilities	<u>20,549</u>	<u>(10,139)</u>
Total adjustments	<u>29,885</u>	<u>(13,408)</u>
Cash outflow generated from operations	23,361	18,255
Interest received	6,393	6,380
Dividends received	14,568	15,038
Interest paid	(535)	(575)
Income taxes refund(paid)	3	(81)
<b>Net cash flows from operating activities</b>	<u>43,790</u>	<u>39,017</u>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	58,421	-
Acquisition of financial assets at fair value through profit or loss	(12,001)	(25,000)
Acquisition of property, plant and equipment	(8,950)	(11,819)
Acquisition of intangible assets	-	(7,524)
<b>Net cash flows used in investing activities</b>	<u>37,470</u>	<u>(44,343)</u>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(1,034)	(1,057)
Cash dividends paid	(29,125)	(16,777)
Exercise of employee share options	-	13,584
Cast of in treasury shares	(35,368)	-
<b>Net cash flows used in financing activities</b>	<u>(65,527)</u>	<u>(4,250)</u>
Increase(decrease) in cash and cash equivalents	15,733	(9,576)
Cash and cash equivalents at beginning of period	470,075	479,651
Cash and cash equivalents at end of period	<u>\$ 485,808</u>	<u>470,075</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, 2025 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 10, 2026

## **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, 2025 and 2024, 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, 2025 and 2024, 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. 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, 2025 and 2024, 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 10, 2026

#### **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, 2025 and 2024****(Expressed in thousands of New Taiwan Dollars)**

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents	\$ 487,116	32	471,491	34	2170	Accounts payable	\$ 35,309	2	33,441	2
1110	Current financial assets at fair value through profit or loss	75,912	5	62,835	5	2219	Other payables	6,580	1	14,340	1
1170	Notes and accounts receivable, net	56,788	4	65,154	5	2230	Current tax liabilities	2,600	-	-	-
130X	Inventories	62,341	4	75,174	6	2280	Current lease liabilities	1,050	-	1,075	1
1470	Other financial assets and current assets	41,063	3	10,526	1	2305	Other financial liabilities and current liabilities	54,366	4	48,072	4
		<u>723,220</u>	<u>48</u>	<u>685,180</u>	<u>51</u>			<u>99,905</u>	<u>7</u>	<u>96,928</u>	<u>8</u>
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1517	Non-current financial assets at fair value through other comprehensive income	550,172	37	425,693	31	2580	Non-current lease liabilities	31,441	2	33,800	2
1600	Property, plant and equipment	92,676	6	95,160	7	25XX	Non-current liabilities	2,882	-	2,882	-
1755	Right-of-use assets	30,769	2	33,338	2			<u>34,323</u>	<u>2</u>	<u>36,682</u>	<u>2</u>
1760	Investment property, net	65,183	4	66,949	5		<b>Total liabilities</b>	<u>134,228</u>	<u>9</u>	<u>133,610</u>	<u>10</u>
1780	Intangible assets	12,692	1	20,882	2		<b>Equity attributable to owners of parent:</b>				
1840	Deferred income tax assets	6,885	1	10,182	1	3100	Ordinary shares	810,219	54	802,379	59
1990	Other non-current assets	18,721	1	16,631	1	3140	Capital in advance	-	-	662	-
		<u>777,098</u>	<u>52</u>	<u>668,835</u>	<u>49</u>	3200	Capital surplus	145,599	10	132,069	10
							Retained earnings:				
						3310	Legal reserve	7,606	1	4,370	1
						3350	Retained earnings	77,542	5	32,361	2
								<u>85,148</u>	<u>6</u>	<u>36,731</u>	<u>3</u>
							Other equity:				
						3421	Unrealized gain or loss on equity instruments at fair value through other comprehensive income	373,740	24	248,564	18
						3491	Unearned compensation	(13,248)	(1)	-	-
								<u>360,492</u>	<u>23</u>	<u>248,564</u>	<u>18</u>
						3500	Treasury shares	(35,368)	(2)	-	-
							<b>Total equity</b>	<u>1,366,090</u>	<u>91</u>	<u>1,220,405</u>	<u>90</u>
<b>Total assets</b>		<u>\$ 1,500,318</u>	<u>100</u>	<u>1,354,015</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 1,500,318</u>	<u>100</u>	<u>1,354,015</u>	<u>100</u>

(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, 2025 and 2024**

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

		2025		2024	
		Amount	%	Amount	%
4000	<b>Operating revenue</b>	\$ 387,503	100	417,225	100
5000	<b>Operating costs</b>	239,402	62	249,507	60
	<b>Gross profit from operations</b>	148,101	38	167,718	40
	<b>Operating expenses:</b>				
6100	Selling expenses	17,233	5	17,831	4
6200	Administrative expenses	62,901	16	58,514	14
6300	Research and development expenses	112,887	29	105,100	25
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(22)	-	26	-
		192,999	50	181,471	43
	<b>Net operating loss</b>	(44,898)	(12)	(13,753)	(3)
	<b>Non-operating income and expenses:</b>				
7100	Interest income	6,425	2	6,434	2
7010	Other income	31,495	8	33,755	8
7020	Other gains and losses	1,039	-	5,848	1
7050	Finance costs	(585)	-	(621)	-
		38,374	10	45,416	11
	<b>Profit (loss) before income tax</b>	(6,524)	(2)	31,663	8
7950	<b>Less: income tax expenses</b>	5,897	1	3,000	1
	<b>Profit (loss)</b>	(12,421)	(3)	28,663	7
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains on remeasurements of defined benefit plans	1,721	-	3,698	1
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	213,418	55	97,506	23
8300	<b>Other comprehensive income (after tax)</b>	215,139	55	101,204	24
	<b>Comprehensive income</b>	\$ 202,718	52	129,867	31
	<b>Profit (loss) attributable to:</b>				
8610	Owners of parent	\$ (12,421)	(3)	28,663	7
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 202,718	52	129,867	31
9750	<b>Basic earnings (loss) per share (NT dollars)</b>	\$ (0.16)		0.36	
9850	<b>Diluted earnings (loss) per share (NT dollars)</b>			\$ 0.36	

(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, 2025 and 2024**

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

	Equity attributable to owners of parent								
	Share capital				Retained earnings		Other equity		Total 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	Others	Treasury shares	
<b>Balance on January 1, 2024</b>	\$ 796,099	4,531	134,857	4,281	892	151,058	-	-	
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 (loss) for the year ended December 31, 2024	-	-	-	-	32,361	97,506	-	-	129,867
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	89	(89)	-	-	-	-
Cash dividends of 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
Loss for the year ended December 31, 2025	-	-	-	-	(12,421)	-	-	-	(12,421)
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	1,721	213,418	-	-	215,139
Comprehensive income for the year ended December 31, 2025	-	-	-	-	(10,700)	213,418	-	-	202,718
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	3,236	(3,236)	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(29,125)	-	-	-	(29,125)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	88,242	(88,242)	-	-	-
Increase of treasury share	-	-	-	-	-	-	-	(35,368)	(35,368)
Issuance of shares exercised as employee stock options	240	(662)	422	-	-	-	-	-	-
Issuance of restricted shares to employees	8,200	-	12,181	-	-	-	(20,381)	-	-
Retirement of restricted shares	(600)	-	600	-	-	-	-	-	-
Share-based payment transactions	-	-	327	-	-	-	7,133	-	7,460
<b>Balance on December 31, 2025</b>	<b>\$ 810,219</b>	<b>-</b>	<b>145,599</b>	<b>7,606</b>	<b>77,542</b>	<b>373,740</b>	<b>(13,248)</b>	<b>(35,368)</b>	<b>1,366,090</b>

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

**PROLIFIC TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2025 and 2024**

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

	<u>2025</u>	<u>2024</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (loss) before tax</b>	\$ (6,524)	31,663
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	14,575	12,108
Amortization expense	8,190	4,144
Gain on financial assets at fair value through profit or loss	(1,077)	(575)
Interest expense	585	621
Interest revenue	(6,425)	(6,434)
Dividend income	(14,568)	(15,038)
Share-based payments compensation cost	7,460	2,013
Recognition losses on (reversal of) inventory valuation and obsolescence	344	(112)
Others	107	(20)
<b>Total adjustments to reconcile profit (loss)</b>	<u>9,191</u>	<u>(3,293)</u>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable	8,388	(22,063)
Inventories	12,489	(656)
Other financial assets and other current assets	(22)	(1,713)
Other non-current assets	(370)	(237)
Total changes in operating assets	<u>20,485</u>	<u>(24,669)</u>
Accounts payable	1,868	8,457
Other payables, other financial liabilities and current liabilities	(1,799)	6,053
Total changes in operating liabilities	<u>69</u>	<u>14,510</u>
Total changes in operating assets and liabilities	<u>20,554</u>	<u>(10,159)</u>
Total adjustments	<u>29,745</u>	<u>(13,452)</u>
Cash inflow generated from operations	23,221	18,211
Interest received	6,425	6,434
Dividends received	14,568	15,038
Interest paid	(535)	(575)
Income taxes refund (paid)	3	(81)
<b>Net cash flows from operating activities</b>	<u>43,682</u>	<u>39,027</u>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	58,421	-
Acquisition of financial assets at fair value through profit or loss	(12,001)	(25,000)
Acquisition of property, plant and equipment	(8,950)	(11,819)
Acquisition of intangible assets	-	(7,524)
<b>Net cash flows used in investing activities</b>	<u>37,470</u>	<u>(44,343)</u>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(1,034)	(1,057)
Cash dividends paid	(29,125)	(16,777)
Exercise of employee share options	-	13,584
Cost of in treasury shares	(35,368)	-
<b>Net cash flows used in financing activities</b>	<u>(65,527)</u>	<u>(4,250)</u>
Net increase (decrease) in cash and cash equivalents	15,625	(9,566)
Cash and cash equivalents at beginning of period	471,491	481,057
Cash and cash equivalents at end of period	<u>\$ 487,116</u>	<u>471,491</u>

**PROLIFIC TECHNOLOGY INC.**  
The 2025 Earnings Distribution

(In New Taiwan Dollars)

Item	Amount
Unappropriated earnings, opening balance	0
Plus: Net Income of 2024	(12,421,428)
Plus: Re-measurements of Defined Benefit Plan Recognized in Retained Earnings	1,721,000
Plus: Disposal of financial assets measured at fair value through other comprehensive income (FVOCI)	88,242,016
Minus: 10% Legal Reserve	(7,754,159)
Earnings available for distribution	69,787,429
Distribution items:	
Dividend to shareholders - Cash	(59,266,422)
Unappropriated earnings, end of period	10,521,007

Chairman:  
Chang Ching-Tang

Manager:  
Chang Ching-Tang

Accounting Supervisor:  
Liao Yu-Mei

**PROLIFIC TECHNOLOGY INC.**  
**Comparison Table of Amended Provisions for**  
**the "Procedures for Acquisition or Disposal of Assets"**

Article	Original Clause	Amended Clause	Reason for amendment
5	<p>5. Procedures for acquisition or disposal of assets</p> <p>5.1 Procedures for the acquisition and disposal of securities investments</p> <p><u>For the acquisition and disposal of the Company's securities investments, the Finance Department shall complete a "Securities Purchase (Disposal) Application Form" for short-term investments. For long-term investments, the Finance Department shall submit a formal memo or evaluation report. All such transactions must be approved by the President and the Chairman before execution. Any single transaction amount reaching NT\$30 million or more shall be submitted to the Audit Committee and the Board of Directors for review and approval.</u></p>	<p>5. Procedures for acquisition or disposal of assets</p> <p>5.1 Procedures for the acquisition and disposal of securities investments</p> <p><u>The acquisition and disposal of securities by the Company shall be handled in accordance with the following regulations:</u></p> <p><u>5.1.1 For the purchase and sale of bonds with repurchase or resale agreements, or the subscription and redemption of domestic money market funds issued by securities investment trust enterprises for the purpose of working capital management, transactions with a single-item value of NT\$50 million or less shall require a 'Securities Purchase/Disposal Application' to be completed by Finance Department personnel. Such transactions may only proceed upon approval by the General Manager and the Chairman. Any single transaction exceeding NT\$50 million must be submitted to the Audit and Risk Committee and the Board of Directors for deliberation and approval.</u></p> <p><u>5.1.2 For securities not governed by Section 5.1.1, the Head of the Finance Department shall submit a formal proposal (including an evaluation report) to be processed according to the following principles:</u></p>	<p>Amended in alignment with functional requirements and the redesignation of the Audit Committee as the Audit and Risk Committee.</p>

Article	Original Clause	Amended Clause	Reason for amendment
	<p>5.2 Procedures for the acquisition and disposal of property, plant and equipment and right-of-use assets</p> <p>For the acquisition or disposal of the Company’s property, plant and equipment or right-of-use assets, the requesting department shall submit a proposal explaining the reasons based on actual operational needs, or the original user department shall submit a project report stating the justification. The proposal shall be reviewed by the relevant departments and subject to evaluation procedures such as price inquiry, price comparison, negotiation, or</p>	<p>(1) <u>For the acquisition or disposal of securities conducted outside of centralized trading markets or over-the-counter (OTC) venues: If a single transaction for the same underlying asset reaches NT\$30 million or more, it must be submitted to the Audit and Risk Committee and the Board of Directors for deliberation and approval.</u></p> <p>(2) <u>For the purchase or sale of securities conducted within centralized trading markets or OTC venues:</u></p> <ul style="list-style-type: none"> <li>• <u>If the cumulative transaction volume for the same underlying asset within one year from the initial trade date is less than or equal to NT\$200 million, the Chairman is authorized to grant approval.</u></li> <li>• <u>If the cumulative amount reaches NT\$200 million or more, it must be reported to the Audit and Risk Committee and the Board of Directors for deliberation and approval.</u></li> </ul> <p>5.2 Procedures for the acquisition and disposal of property, plant and equipment and right-of-use assets</p> <p>For the acquisition or disposal of the Company’s property, plant and equipment or right-of-use assets, the requesting department shall submit a proposal explaining the reasons based on actual operational needs, or the original user department shall submit a project report stating the justification. The proposal shall be reviewed by the relevant departments and subject to evaluation procedures such as price inquiry,</p>	

Article	Original Clause	Amended Clause	Reason for amendment
	<p>public tender. Where the transaction amount reaches NT\$500,000 or more, it shall be approved by the General Manager. Where the transaction amount exceeds NT\$1,000,000, it shall be approved by the Chairperson of the Board. Where the transaction amount reaches NT\$30 million or more, it shall additionally be submitted to the <u>Audit Committee</u> and the Board of Directors for review and approval.</p> <p>5.3 Except for assets acquired for operating purposes, the Company and its subsidiaries shall comply with the following investment limits when acquiring non-operating real property (and its right-of-use assets) or securities:</p> <p>5.3.1 The total amount of non-operating real property and its right-of-use assets shall not exceed 100% of the net worth of each individual company.</p> <p>5.3.2 The total amount of securities investment shall not exceed <u>100%</u> of the net worth of each individual company.</p> <p>5.3.3 The investment limit for any individual security shall not exceed <u>30%</u> of the net worth of each individual company.</p> <p>5.4 All operations related to the acquisition or disposal of assets shall be handled in accordance with the relevant provisions of the Company's Internal Control System. In the event of any material violations, the relevant personnel shall be subject to disciplinary action based on the severity of the situation.</p>	<p>price comparison, negotiation, or public tender. Where the transaction amount reaches NT\$500,000 or more, it shall be approved by the General Manager. Where the transaction amount exceeds NT\$1,000,000, it shall be approved by the Chairperson of the Board. Where the transaction amount reaches NT\$30 million or more, it shall additionally be submitted to the <u>Audit and Risk Committee</u> and the Board of Directors for review and approval.</p> <p>5.3 Except for assets acquired for operating purposes, the Company and its subsidiaries shall comply with the following investment limits when acquiring non-operating real property (and its right-of-use assets) or securities:</p> <p>5.3.1 The total amount of non-operating real property and its right-of-use assets shall not exceed 100% of the net worth of each individual company.</p> <p>5.3.2 The total amount of securities investment shall not exceed <u>200%</u> of the net worth of each individual company.</p> <p>5.3.3 The investment limit for any individual security shall not exceed <u>100%</u> of the net worth of each individual company.</p> <p>5.4 All operations related to the acquisition or disposal of assets shall be handled in accordance with the relevant provisions of the Company's Internal Control System. In the event of any material violations, the relevant personnel shall be subject to disciplinary action based on the severity of the situation.</p>	
8	<p>8. Procedures for related party transactions</p> <p>8.1 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to</p>	<p>8. Procedures for related party transactions</p> <p>8.1 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to</p>	Revised to reflect the renaming of the Audit

Article	Original Clause	Amended Clause	Reason for amendment
	<p>ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Procedure. The calculation of the transaction amount shall be made in accordance with Article 7.7 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>8.2 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the <u>Audit Committee</u> and Board of Directors:</p> <p>8.2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>8.2.2 The reason for choosing the related party as a transaction counterparty.</p> <p>8.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party,</p>	<p>to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Procedure. The calculation of the transaction amount shall be made in accordance with Article 7.7 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>8.2 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the <u>Audit and Risk Committee</u> and Board of Directors:</p> <p>8.2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>8.2.2 The reason for choosing the related party as a transaction counterparty.</p> <p>8.2.3 With respect to the acquisition of real property</p>	<p>Committee and update the numbering of Clauses 8.5.4 and 8.5.5.</p>

Article	Original Clause	Amended Clause	Reason for amendment
	<p>information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the Procedures.</p> <p>8.2.4 The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>8.2.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>8.2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>8.2.7 Restrictive covenants and other important stipulations associated with the transaction.</p> <p>If the Company or its subsidiary that is not a domestic public company engages in a transaction specified in Article 8.2, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in each subparagraph of Article 8.2 to the Shareholders' Meeting for approval before signing the transaction contract or making any payment. However, transactions between the Company and its subsidiaries, or between its subsidiaries, are exempt from this requirement.</p> <p>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 6.7 herein, and "within the preceding year" as used herein refers to the year</p>	<p>or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the Procedures.</p> <p>8.2.4 The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>8.2.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>8.2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>8.2.7 Restrictive covenants and other important stipulations associated with the transaction.</p> <p>If the Company or its subsidiary that is not a domestic public company engages in a transaction specified in Article 8.2, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in each subparagraph of Article 8.2 to the Shareholders' Meeting for approval before signing the transaction contract or making any payment. However, transactions between the Company and its subsidiaries, or between its subsidiaries, are exempt from this requirement.</p> <p>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 6.7 herein, and</p>	

Article	Original Clause	Amended Clause	Reason for amendment
	<p>preceding the date of occurrence of the current transaction. Items that have been approved by the <u>Audit Committee</u>, Board of Directors and Shareholders Meeting need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>(2) Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>(The rest is omitted.)</p> <p>8.5 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the regulations are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>8.5.1 A special reserve shall be set aside against the difference between the transaction price of the real property or its right-of-use assets and the evaluated cost, and such reserve shall not be distributed or used for capitalization for stock dividends. Furthermore, if an investor who accounts for its</p>	<p>"within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>Audit and Risk Committee</u>, Board of Directors and Shareholders Meeting need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>(2) Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>(The rest is omitted.)</p> <p>8.5 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the regulations are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>8.5.1 A special reserve shall be set aside against the difference between the transaction price of the real property or its right-of-use assets and the evaluated cost, and such reserve shall not be distributed or used for capitalization for stock dividends. Furthermore, if an investor who</p>	

Article	Original Clause	Amended Clause	Reason for amendment
	<p>investment in the Company using the equity method is a public company, such investor shall also set aside a special reserve in proportion to its shareholding based on the aforementioned amount.</p> <p>8.5.2 The independent directors who are members of the <u>Audit Committee</u> shall perform their duties in accordance with the provisions of Article 218 of the Company Act.</p> <p>8.5.3 Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><u>8.5.4</u> The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p><u>8.5.5</u> When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>accounts for its investment in the Company using the equity method is a public company, such investor shall also set aside a special reserve in proportion to its shareholding based on the aforementioned amount.</p> <p>8.5.2 The independent directors who are members of the <u>Audit and Risk Committee</u> shall perform their duties in accordance with the provisions of Article 218 of the Company Act.</p> <p>8.5.3 Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><u>8.6</u> The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p><u>8.7</u> When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	

Article	Original Clause	Amended Clause	Reason for amendment
10	<p>10. Mergers and consolidations, splits, acquisitions, and assignment of shares</p> <p>10.1 When conducting a merger, demerger, acquisition, or transfer of shares, the Company shall, prior to convening the <u>Audit Committee</u> and the Board of Directors for resolution, engage a CPA, attorney, or securities underwriter to render an opinion on the reasonableness of the share exchange ratio, acquisition price, or the cash or other property distributed to shareholders. Such opinion shall be submitted to the <u>Audit Committee</u> and the Board of Directors for discussion and approval. However, the requirement to obtain the aforementioned fairness opinion from an expert may be waived for a merger between the Company and its wholly-owned (100%) subsidiary, whether held directly or indirectly, or for a merger between two subsidiaries that are both wholly-owned by the Company directly or indirectly.</p> <p>(The rest is omitted.)</p> <p>10.4 When the Company participates in a merger, demerger, acquisition, or transfer of shares, the share exchange ratio or acquisition price shall not be arbitrarily altered, except under the circumstances listed below. Furthermore, the conditions under which such alterations are permitted shall be explicitly stipulated in the merger, demerger, acquisition, or share transfer agreement.</p> <p>10.4.1 Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants,</p>	<p>10. Mergers and consolidations, splits, acquisitions, and assignment of shares</p> <p>10.1 When conducting a merger, demerger, acquisition, or transfer of shares, the Company shall, prior to convening the <u>Audit and Risk Committee</u> and the Board of Directors for resolution, engage a CPA, attorney, or securities underwriter to render an opinion on the reasonableness of the share exchange ratio, acquisition price, or the cash or other property distributed to shareholders. Such opinion shall be submitted to the <u>Audit and Risk Committee</u> and the Board of Directors for discussion and approval. However, the requirement to obtain the aforementioned fairness opinion from an expert may be waived for a merger between the Company and its wholly-owned (100%) subsidiary, whether held directly or indirectly, or for a merger between two subsidiaries that are both wholly-owned by the Company directly or indirectly.</p> <p>(The rest is omitted.)</p> <p>10.4 When the Company participates in a merger, demerger, acquisition, or transfer of shares, the share exchange ratio or acquisition price shall not be arbitrarily altered, except under the circumstances listed below. Furthermore, the conditions under which such alterations are permitted shall be explicitly stipulated in the merger, demerger, acquisition, or share transfer agreement.</p> <p>10.4.1 Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock</p>	<p>Revised to reflect the renaming of the Audit Committee and update the numbering of Clauses 10.4.7 and 10.5</p>

Article	Original Clause	Amended Clause	Reason for amendment
	<p>or other equity- based securities.</p> <p>10.4.2 An action, such as a disposal of major assets, that affects the company's financial operations.</p> <p>10.4.3 An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>10.4.4 An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>10.4.5 An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p>10.4.6 Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p><u>10.4.7</u> The agreement for a merger, demerger, acquisition, or transfer of shares shall specify all relevant matters in accordance with the regulations to protect the rights and interests of the participating companies.</p> <p><u>10.5</u> Unless otherwise provided by other laws or approved in advance by the Financial Supervisory Commission (FSC) due to exceptional factors, the Company shall convene both the Board of Directors' meeting and the Shareholders' Meeting on the same day to resolve matters related to a merger, demerger, or acquisition. For companies participating in a transfer of shares, the Board of Directors' meeting shall be convened on the same day, unless otherwise provided by other laws or approved in advance by the FSC due to exceptional factors.</p>	<p>warrants, or other equity- based securities.</p> <p>10.4.2 An action, such as a disposal of major assets, that affects the company's financial operations.</p> <p>10.4.3 An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>10.4.4 An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>10.4.5 An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p>10.4.6 Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p><u>10.5</u> The agreement for a merger, demerger, acquisition, or transfer of shares shall specify all relevant matters in accordance with the regulations to protect the rights and interests of the participating companies.</p> <p><u>10.6</u> Unless otherwise provided by other laws or approved in advance by the Financial Supervisory Commission (FSC) due to exceptional factors, the Company shall convene both the Board of Directors' meeting and the Shareholders' Meeting on the same day to resolve matters related to a merger, demerger, or acquisition. For companies participating in a transfer of shares, the Board of Directors' meeting shall be convened on the same day, unless otherwise provided by other laws or approved in advance by the FSC due to exceptional factors.</p>	

Article	Original Clause	Amended Clause	Reason for amendment
12	<p>12. Date of Implementation</p> <p>12.1 These Procedures shall be approved by the <u>Audit Committee</u>, passed by the Board of Directors, and submitted to the Shareholders' Meeting for approval before implementation. The same shall apply to any amendments.</p> <p>12.2 Where these Procedures require the approval of the <u>Audit Committee</u>, such approval shall be granted by one-half or more of all <u>Audit Committee</u> members. If such approval is not obtained, the Procedures may be approved by two-thirds or more of all directors, and the resolution of the <u>Audit Committee</u> shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>12.3 When the Procedures for Acquisition or Disposal of Assets are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each independent director shall be fully considered. Any dissenting or reserved opinions expressed by an independent director shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>12.4 The terms "all <u>Audit Committee</u> members" and "all directors" as used in these Procedures shall be calculated based on the number of members actually in office.</p>	<p>12. Date of Implementation</p> <p>12.1 These Procedures shall be approved by the <u>Audit and Risk Committee</u>, passed by the Board of Directors, and submitted to the Shareholders' Meeting for approval before implementation. The same shall apply to any amendments.</p> <p>12.2 Where these Procedures require the approval of the <u>Audit and Risk Committee</u>, such approval shall be granted by one-half or more of all <u>Audit and Risk Committee</u> members. If such approval is not obtained, the Procedures may be approved by two-thirds or more of all directors, and the resolution of the <u>Audit and Risk Committee</u> shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>12.3 When the Procedures for Acquisition or Disposal of Assets are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each independent director shall be fully considered. Any dissenting or reserved opinions expressed by an independent director shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>12.4 The terms "all <u>Audit and Risk Committee</u> members" and "all directors" as used in these Procedures shall be calculated based on the number of members actually in office.</p>	Revised to reflect the renaming of the Audit Committee.

## Attachment VI

**List of Candidate for Directors and Independent Directors**

No.	Title	Name	Education	Experience	Current Position	Shareholding (Unit: Share)	Nomination reasons for serving as an independent director of the Company for 3 consecutive terms
1	Director	Chang Ching-Tang	Ph.D. in Electrical Computer Engineering, R.P.I., USA	Chairman and General Manager, Prolific Technology Inc.; Electronic Communication manager of Industrial Technology Research Institute	Chairman and General Manager, Prolific Technology Inc.; Direct, Prolific Technology (Hong Kong) Ltd.; Consultant, AMLI Material Technology Co., Ltd.; Legal person director representative, Kelvin Thermal Technologies, Inc.; Consultant, Kelvin Thermal Technology Inc., Taiwan Branch	7,264,442	N/A
2	Director	Lin Chin-Shih	Department of Accounting, Tamkang University	Certified Public Accountant (CPA), Lin Chin-Shih Accounting Firm	CPA, Lin Chin-Shih Accounting Firm; Independent Director, WIN Semiconductor Corp.; Director, Prolific Technology Inc.	None	N/A
3	Director	Lin Jian-Hong	Master's Degree in Electrical Engineering, University of Southern California (USA)	VP, Topro Technology Inc. Adviser, Prolific Technology Inc.	Adviser, Prolific Technology Inc. Corporate Director Representative of Prolific Technology Inc.	90,419	N/A
4	Independent Director	Liu Chin-Tang	Department of Accounting, Tamkang University	CPA, KPMG (retired in 2006); 21st session director, Association of Certified Public Accountants of Taiwan Assistant professor of Tamkang University	Independent Director, Unizyx Holding Corp.; Independent Director, Sino- American Silicon Products Inc.; Independent Director, Prolific Technology Inc.	100,000	Independent Director Mr. Liu is a former practicing CPA with deep expertise in financial accounting and auditing. With a proven track record as an independent director for multiple publicly traded companies, he offers wealth of experience in corporate governance and regulatory compliance. This

No.	Title	Name	Education	Experience	Current Position	Shareholding (Unit: Share)	Nomination reasons for serving as an independent director of the Company for 3 consecutive terms
							professional insight is instrumental in fortifying our audit quality, optimizing internal controls, refining board functions, and driving our long-term sustainability initiatives.
5	Independent Director	Shih Kuo-Yang	Master of Information Engineering, Tamkang University	Vice President of Product Development Division, DynaComware Taiwan Inc.; Consultant, Institute for Information Industry (III); General manager, Essence Technology Solution, Inc.; General Manager of North District Information Business Department, Synnex Technology International Corporation; General manager, Dell Taiwan B.V., Taiwan Branch (Netherlands); General Manager of Business Marketing Group, Compaq Computer Corporation	Independent Director, Prolific Technology Inc.; Independent Director, ENE Technology Inc.	None	N/A
6	Independent Director	Tsai Shu-Chen	EMBA, National Central University	Supervisor, eGalax_eMPIA Technology Inc. Independent Director, Champion Microelectronic Corp. Independent Director, Chung Hwa Chemical Industrial Works, Ltd. CPA, Bao-Chen Accounting Firm	CPA, Bao-Chen Accounting Firm; Director, Fuyun Information Co., Ltd.	None	N/A

No.	Title	Name	Education	Experience	Current Position	Shareholding (Unit: Share)	Nomination reasons for serving as an independent director of the Company for 3 consecutive terms
7	Independent Director	Weng Shih-Ching	M.S. in Accounting, National Chengchi University	VP, Shin Zu Shing Co., Ltd. Associate Vice President, Administration; Chief Accounting Officer, Shin Zu Shing Co., Ltd. Chief Operating Officer, AMLI Material Technology Co., Ltd.	VP, Shin Zu Shing Co., Ltd..	None	N/A

Attachment VII

PROLIFIC TECHNOLOGY INC.

The details of request to release the non-compete restrictions on the 14<sup>th</sup> term of Directors' candidates

Title of Director	Name	Position titles at other companies
Director	Chang Ching-Tang	Director, Prolific Technology (Hong Kong) Ltd.; Consultant, AMLI Material Technology Co., Ltd.; Legal person director representative, Kelvin Thermal Technologies, Inc.; Consultant, Kelvin Thermal Technology Inc., Taiwan Branch
Director	Lin Chin-Shih	CPA, Lin Chin-Shih Accounting Firm; Director, WIN Semiconductor Corp.
Director	Lin Jian-Hong	None.
Independent Director	Liu Chin-Tang	Independent Director, Unizyx Holding Corp.
Independent Director	Shih Kuo-Yang	Independent Director, ENE Technology Inc.
Independent Director	Tsai Shu-Chen	CPA, Bao-Chen Accounting Firm; Director, Fuyun Information Co., Ltd.
Independent Director	Weng Shih-Ching	VP, Shin Zu Shing Co., LTD.

## **Prolific Technology Inc.**

### **Procedures for Acquisition or Disposal of Assets (Original)**

1. Purpose

To protect investments and ensure the fulfillment of information disclosure, the acquisition or disposal of assets by the Company shall be handled in accordance with these Procedures.

2. Legal Authority

These Procedures are established in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

3. The term "assets" as used in these Procedures includes the following:

3.1 Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.

3.2 Real property (including land, houses and buildings, investment property) and equipment.

3.3 Memberships.

3.4 Patents, copyrights, trademarks, franchise rights, and other intangible assets.

3.5 Right-of-use assets.

3.6 Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).

3.7 Derivatives.

3.8 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

3.9 Other major assets.

4. Appraisal procedures

4.1 Evaluation procedures for the acquisition or disposal of securities

4.1.1 Unlisted Securities (Off-exchange Transactions)

When acquiring or disposing of securities that are not traded on a centralized exchange or at a securities firm's business premises (Over-the-Counter), the Company shall determine the transaction price by considering the net value per share, profitability, future growth potential, market interest rates, coupon rates of bonds, and the creditworthiness of the debtor, as well as the prevailing market price at the time of the transaction.

4.1.2 Listed Securities (On-exchange Transactions)

When acquiring or disposing of securities that are traded on a centralized exchange or at a securities firm's business premises, the transaction price shall

be determined based on the prevailing equity or bond prices at the time of the transaction.

#### 4.2 Evaluation Procedures for Property, Plant and Equipment and Right-of-Use Assets

When the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, it shall select one of the following methods: price inquiry, price comparison, price negotiation, or open tender.

The transaction price for real property or its right-of-use assets shall be determined with reference to the publicly announced current value, assessed value, actual transaction prices of neighboring properties, or local market rental rates.

The transaction price for equipment or its right-of-use assets shall be determined with reference to market value or rental rates and the book value.

If the transaction reaches the threshold for public announcement and filing as stipulated in these Procedures, an appraisal report from a professional appraiser shall also be obtained for reference.

### 5. Procedures for acquisition or disposal of assets

#### 5.1 Procedures for the acquisition and disposal of securities investments

For the acquisition and disposal of the Company's securities investments, the Finance Department shall complete a "Securities Purchase (Disposal) Application Form" for short-term investments. For long-term investments, the Finance Department shall submit a formal memo or evaluation report. All such transactions must be approved by the President and the Chairman before execution. Any single transaction amount reaching NT\$30 million or more shall be submitted to the Audit Committee and the Board of Directors for review and approval.

#### 5.2 Procedures for the acquisition and disposal of property, plant and equipment and right-of-use assets

For the acquisition or disposal of the Company's property, plant and equipment or right-of-use assets, the requesting department shall submit a proposal explaining the reasons based on actual operational needs, or the original user department shall submit a project report stating the justification. The proposal shall be reviewed by the relevant departments and subject to evaluation procedures such as price inquiry, price comparison, negotiation, or public tender.

Where the transaction amount reaches NT\$500,000 or more, it shall be approved by the General Manager.

Where the transaction amount exceeds NT\$1,000,000, it shall be approved by the Chairperson of the Board.

Where the transaction amount reaches NT\$30 million or more, it shall additionally be submitted to the Audit Committee and the Board of Directors for review and approval.

#### 5.3 Except for assets acquired for operating purposes, the Company and its subsidiaries shall comply with the following investment limits when acquiring non-operating real property (and its right-of-use assets) or securities:

5.3.1 The total amount of non-operating real property and its right-of-use assets shall

not exceed 100% of the net worth of each individual company.

5.3.2 The total amount of securities investment shall not exceed 100% of the net worth of each individual company.

5.3.3 The investment limit for any individual security shall not exceed 30% of the net worth of each individual company.

5.4 All operations related to the acquisition or disposal of assets shall be handled in accordance with the relevant provisions of the Company's Internal Control System. In the event of any material violations, the relevant personnel shall be subject to disciplinary action based on the severity of the situation.

6. Standards for public announcement and regulatory filing

When the Company acquires or distributes assets under any of the following circumstances, the relevant information shall be announced and filed on the website designated by the Financial Supervisory Commission (FSC) within two days (inclusive) from the date of occurrence, formatted according to the nature of the transaction:

6.1 Where the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or engages in the acquisition or disposal of assets other than real property or right-of-use assets with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more.

However, this shall not apply to the trading of domestic government bonds, bonds with repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

6.2 Engaging in a merger, demerger (split-off), acquisition, or transfer of shares.

6.3 Losses from derivatives trading reach the maximum loss limit (either for all contracts or individual contracts) specified in the established procedures.

6.4 Acquisition or disposal of equipment for operating use (or its right-of-use assets) where the counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.

6.5 Acquisition of real property through construction on own/leased land, joint construction and sharing of floor space, joint construction and sharing of profit, or joint construction and separate sale, with a non-related party, where the Company's estimated investment amount reaches NT\$500 million or more.

6.6 Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

6.6.1 Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan

6.6.2 Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises

6.7 The amount of transactions above shall be calculated as follows:

6.7.1 The amount of any individual transaction.

6.7.2 The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

6.7.3 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

6.7.4 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

6.7.5 Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

6.8 The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

6.9 The company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

6.10 The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

- (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
- (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- (3) Change to the originally publicly announced and reported information.

The "date of occurrence" referred to in the preceding two paragraphs shall, in principle, be the date of contract signing, date of payment, date of commissioned execution (trade date), date of transfer, date of Board of Directors' resolution, or any other date on which the counterparty and transaction amount can be determined, whichever is earlier. However, for investments that require approval from the competent authority, the date of occurrence shall be either one of the aforementioned dates or the date of receipt of approval from the competent authority, whichever is earlier.

7. When the Company acquires or disposes of assets, it shall engage objective, fair, and independent experts to issue reports based on the type of assets, in accordance with the following provisions:
  - 7.1 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
    - 7.1.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
    - 7.1.2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
    - 7.1.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
      - 7.1.3.1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
      - 7.1.3.2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
    - 7.1.4 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not

more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

- 7.2 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
- 7.3 The Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- 7.4 The Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
- 7.5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
- 7.5.1 May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- 7.5.2 May not be a related party or de facto related party of any party to the transaction.
- 7.5.3 If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.
- 7.6 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- 7.6.1 Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- 7.6.2 When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- 7.6.3 They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- 7.6.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.
- 7.7 The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 6.7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
8. Procedures for related party transactions
- 8.1 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Procedure. The calculation of the transaction amount shall be made in accordance with Article 7.7 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- 8.2 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and Board of Directors:
- 8.2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

- 8.2.2 The reason for choosing the related party as a transaction counterparty.
- 8.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the Procedures.
- 8.2.4 The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- 8.2.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.
- 8.2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- 8.2.7 Restrictive covenants and other important stipulations associated with the transaction.

If the Company or its subsidiary that is not a domestic public company engages in a transaction specified in Article 8.2, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in each subparagraph of Article 8.2 to the Shareholders' Meeting for approval before signing the transaction contract or making any payment. However, transactions between the Company and its subsidiaries, or between its subsidiaries, are exempt from this requirement.

The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 6.7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee, Board of Directors and Shareholders Meeting need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
  - (2) Acquisition or disposal of real property right-of-use assets held for business use.
- 8.3 The Company acquires real property or its right-of-use assets from a related party, it shall evaluate the reasonableness of the transaction costs by the following methods and shall engage a certified public accountant (CPA) to review the evaluation and render a specific opinion:
- 8.3.1 Based upon the related party's transaction price plus necessary interest on

funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

8.3.2 Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

8.4 The Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Article 8.2, and the Article 8.2 does not apply:

8.4.1 The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

8.4.2 More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.

8.4.3 The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

8.4.4 The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

8.5 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the regulations are uniformly lower than the transaction price, the following steps shall be taken:

8.5.1 A special reserve shall be set aside against the difference between the transaction price of the real property or its right-of-use assets and the evaluated cost, and such reserve shall not be distributed or used for capitalization for stock dividends. Furthermore, if an investor who accounts for its investment in the Company using the equity method is a public company, such investor shall also set aside a special reserve in proportion to its shareholding based on the aforementioned amount.

8.5.2 The independent directors who are members of the Audit Committee shall

perform their duties in accordance with the provisions of Article 218 of the Company Act.

8.5.3 Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

8.5.4 The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

8.5.5 When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

9. When engaging in derivative financial commodity transactions, the Company shall act in accordance with its "Procedures for Derivatives Trading." Furthermore, the Company shall pay close attention to risk management and auditing matters to ensure the effective implementation of the internal control system.

10. Mergers and consolidations, splits, acquisitions, and assignment of shares

10.1 When conducting a merger, demerger, acquisition, or transfer of shares, the Company shall, prior to convening the Audit Committee and the Board of Directors for resolution, engage a CPA, attorney, or securities underwriter to render an opinion on the reasonableness of the share exchange ratio, acquisition price, or the cash or other property distributed to shareholders. Such opinion shall be submitted to the Audit Committee and the Board of Directors for discussion and approval.

However, the requirement to obtain the aforementioned fairness opinion from an expert may be waived for a merger between the Company and its wholly-owned (100%) subsidiary, whether held directly or indirectly, or for a merger between two subsidiaries that are both wholly-owned by the Company directly or indirectly.

10.2 The essential terms and related matters of a merger, demerger, or acquisition shall be compiled into a public disclosure document for shareholders prior to the shareholders' meeting. This document, together with the expert opinion mentioned in the preceding paragraph and the notice of the shareholders' meeting, shall be delivered to shareholders as a reference for their decision on the transaction. However, this requirement shall not apply where a resolution of the shareholders' meeting is exempted by other laws and regulations for the merger, demerger, or acquisition.

10.3 If any company participating in a merger, demerger, or acquisition is unable to convene a shareholders' meeting or pass a resolution due to a lack of a quorum,

insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the participating companies shall immediately issue a public explanation regarding the cause of the occurrence, the subsequent handling procedures, and the rescheduled date of the shareholders' meeting.

A company participating in a merger, demerger, acquisition, or transfer of shares that is listed on the stock exchange or whose shares are traded at a securities firm's business premises (OTC) shall prepare a complete written record of the following information, preserve it for five years, and make it available for inspection:

10.3.1 Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

10.3.2 Dates of material events: Including the dates of signing a Letter of Intent (LOI) or Memorandum of Understanding (MOU), engaging financial or legal advisors, signing a formal contract, and Board of Directors' meetings.

10.3.3 Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors' meetings.

10.4 When the Company participates in a merger, demerger, acquisition, or transfer of shares, the share exchange ratio or acquisition price shall not be arbitrarily altered, except under the circumstances listed below. Furthermore, the conditions under which such alterations are permitted shall be explicitly stipulated in the merger, demerger, acquisition, or share transfer agreement.

10.4.1 Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.

10.4.2 An action, such as a disposal of major assets, that affects the company's financial operations.

10.4.3 An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

10.4.4 An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

10.4.5 An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

10.4.6 Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

10.4.7 The agreement for a merger, demerger, acquisition, or transfer of shares shall specify all relevant matters in accordance with the regulations to protect the rights and interests of the participating companies.

- 10.5 Unless otherwise provided by other laws or approved in advance by the Financial Supervisory Commission (FSC) due to exceptional factors, the Company shall convene both the Board of Directors' meeting and the Shareholders' Meeting on the same day to resolve matters related to a merger, demerger, or acquisition. For companies participating in a transfer of shares, the Board of Directors' meeting shall be convened on the same day, unless otherwise provided by other laws or approved in advance by the FSC due to exceptional factors.
11. Regulations for the Acquisition or Disposal of Assets by Subsidiaries
- 11.1 A subsidiary shall also comply with the Company's regulations when acquiring or disposing of assets.
- 11.2 If a subsidiary is not a domestic public company, and its acquisition or disposal of assets reaches the thresholds for public announcement and regulatory filing as specified in these Procedures, the Company shall handle the announcement, filing, and submission on behalf of the subsidiary.
- 11.3 Regarding the thresholds for public announcement and regulatory filing for a subsidiary, the provisions concerning paid-in capital or total assets shall be based on the paid-in capital or total assets of the Company (the parent company).
12. Date of Implementation
- 12.1 These Procedures shall be approved by the Audit Committee, passed by the Board of Directors, and submitted to the Shareholders' Meeting for approval before implementation. The same shall apply to any amendments.
- 12.2 Where these Procedures require the approval of the Audit Committee, such approval shall be granted by one-half or more of all Audit Committee members. If such approval is not obtained, the Procedures may be approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting.
- 12.3 When the Procedures for Acquisition or Disposal of Assets are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each independent director shall be fully considered. Any dissenting or reserved opinions expressed by an independent director shall be recorded in the minutes of the Board of Directors' meeting.
- 12.4 The terms "all Audit Committee members" and "all directors" as used in these Procedures shall be calculated based on the number of members actually in office.

# **PROLIFIC TECHNOLOGY INC. ARTICLES OF INCORPORATION**

## **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 a 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 (no less than 20% of the amount of employee remuneration in this item shall be distributed to grassroots employees); 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.

The twenty-fourth Amendment was on June 4, 2025.

Prolific Technology Inc.

Chairman: Chang Ching-Tang

## Appendix III

# **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 IV

### **PROLIFIC TECHNOLOGY INC. Rules for Directors Election (the “Rules”)**

The amendment was adopted by the Shareholders' Meeting  
on June 7, 2023

#### **Article 1**

The election of directors of the Company shall be conducted in accordance with these Rules and the relevant laws and regulations promulgated by the competent authorities.

#### **Article 2**

The Company adopts a candidate nomination system for the election of directors, who are selected by the shareholders' meeting from persons of capacity and elected using the single cumulative voting method. Each share has the same voting rights as the number of directors to be elected. The shares may be used to vote for one candidate or distributed over several candidates. Candidates with the highest number of votes shall be assigned to fill director positions.

The election of independent directors and non-independent directors shall be held together; provided, however, that the number of independent directors and non-independent directors elected shall be calculated separately.

#### **Article 3**

If the personal information of the elected director is inconsistent or that the elected director is not competent for the position as stipulated by Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act or other relevant laws and regulations, the vacancy will be filled by the candidate with the second most votes.

When two or more persons receive the same number of votes, which exceeds the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.

#### **Article 4**

Election ballots shall be prepared by a person with the right to convene and shall be numbered according to the attendance card number and the voting rights shall be noted.

If the voting rights are exercised electronically at the shareholders' meeting, or if the shareholders' meeting is convened by video conference, the election voting method shall be handled in accordance with the regulations of the competent authority.

#### **Article 5**

At the beginning of the election, the chairperson shall appoint several ballot examiners and ballot counters. The ballot examiners shall be appointed from among the shareholders present.

#### **Article 6**

The ballot box used for voting shall be prepared by a person with the right to convene and shall be checked in public by ballot examiners before voting.

#### **Article 7**

(Deleted)

#### **Article 8**

Ballots shall be deemed void under following conditions:

- (1) Ballots which are not stipulated in the Rules;
- (2) Blank Ballots;
- (3) Ballots which are not placed in the ballot box;
- (4) Illegible writing or has been altered;
- (5) The candidates filled in are inconsistent with the list of director candidates;
- (6) Ballots with other written characters or symbols in addition to candidate's name (first and last name);

- (7) One ballot with two or more candidates named.
- (8) The ballot violates laws or regulations or the Company's voting rules.

**Article 9**

After the voting is completed, the ballot examiners shall supervise balloting and the results of the balloting shall be announced by the Chairperson on the spot.

**Article 10**

The elected director shall be notified by the company of his/her election.  
The notice in the preceding paragraph may be implemented by electronic means.

**Article 11**

Matters not specified in the Rules are to be handled in accordance with Company Act, the Articles of Incorporation of the Company, and other relevant laws and regulations.

**Article 12**

These Rules shall come into effect upon approval of the shareholders' meeting. The same applies to all subsequent amendments.

## Appendix V

### Prolific Technology Inc. Shareholdings of all Directors

1. As of April 12, 2026, the number of outstanding ordinary shares of the Company was 81,021,896 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 6,481,752 shares.
3. As of the ex-rights date of the shareholders' meeting (April 12, 2026), 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	8.97%
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	9.09%
Total (including independent directors)		7,464,442	9.21%