

Stock Code : 8028



2022 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Date : 9:00 a.m., May 27, 2022

Venue : GIS HSP Convention Center-Darwin/Hall

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Phoenix Silicon International Corporation

Procedure of 2022 Annual General Shareholders' Meeting

1. Call Meeting to Order
2. Chairman's report
3. Report Items
4. Acknowledged matters
5. Matters for Discussion
6. Extemporary Motions
7. Adjournment

Phoenix Silicon International Corporation

2022 Annual General Shareholders' Meeting Agenda

Time : 9:00 a.m., May 27, 2022

Place : GIS HSP Convention Center-Darwin/Hall

(2F, No. 1. Industrial East Road 2, Hsinchu Science Park, Hsinchu)

Means of Meeting Convention: Physical shareholders meeting

1. Call Meeting to Order
2. Chairman's report
3. Report Items
 - (1) 2021 business report
 - (2) Audit Committee's review of the 2021 annual final accounting books and statements
 - (3) Report on 2021 employees' and directors' remuneration
 - (4) Report on 2021 cash dividend distribution
4. Acknowledged matters
 - (1) Acknowledgment of the 2021 Business Report and Financial Statements
 - (2) Acknowledgment of the 2021 Earnings Distribution
5. Matters for Discussion
 - (1) Amendments to the Articles of Incorporation.
 - (2) Amendments to the Handling Procedures for Acquisition or Disposal of Assets.
 - (3) Amendments to the Handling Procedures for Conducting Derivative Transactions.
 - (4) Amendments to the Regulation of Shareholders Meetings.
 - (5) New common share issuance through the increase of capital by capitalization of capital reserve.
 - (6) Discussion to approve the lifting of non-competition restrictions for directors.
6. Extemporaneous Motions
7. Adjournment

Report Items

(Proposed by the Board of Directors)

1. 2021 business report

Explanatory Notes :

The 2021 business report, please refer pages 9 to 12 of this handbook (Attachment 1).

(Proposed by the Board of Directors)

2. Audit Committee's review of the 2021 annual final accounting books and statements

Explanatory Notes :

The Audit Committee's review of the 2021 annual final accounting books and statements. please refer page 13 of this handbook (Attachment 2).

(Proposed by the Board of Directors)

3. Report on 2021 employees' and directors' remuneration

Explanatory Notes :

- (1) The Board of Directors approved 2021 employee's compensation is NT\$ 43,888,432 and directors' remuneration is NT\$ 5,851,790 on February 23, 2022. The employee's compensation and directors' remuneration are to be distributed in cash.
- (2) The aforesaid remuneration has been expensed in 2021, and the amount of its accounting expenses is not different from the amount approved by the board of directors.

4. Report on 2021 cash dividend distribution

Explanatory Notes :

- (1) The dividend distribution and bonuses or statutory surplus reserve and capital reserve in the form of cash shall be approved by the Board and a report of such distribution shall be submitted to the shareholders' meeting, in accordance with Article 30 of the Articles of Incorporation of the Company.
- (2) The Company resolved to distribute cash dividends in the amount of NT\$112,281,984 at NT\$0.8 per share, have been approved by the meeting of board of directors held on April 14, 2022, and proposed that the Chairman of the Board of Directors is authorized to determine the ex-dividend date and payment date for the cash dividend distribution and other related matters.
- (3) The cash dividends will be calculated to the nearest NT dollar. The remainder will be transferred into the account of the company's other income.
- (4) Prior to the ex-dividend date for the distribution, if the number of total shares outstanding has changed due to the repurchasing of shares by the Company, the transfer of treasury shares to employees, or the conversion of shares from domestic convertible bonds, etc., so that the ratio of the cash dividends is changed and needs to be adjusted, the Chairman is authorized to make such adjustments.

Acknowledged matters

(Proposed by the Board of Directors)

1. Acknowledgment of the 2021 Business Report and Financial Statements

Explanatory Notes :

- (1) 2021 Financial Statements were audited by PwC Taiwan, Ms. Liu, Chien-Yu and

Mr. Xie, Zhi-Zheng. The aforementioned and FY 2021 business report have been approved by the board and the audit committee with review report.

- (2) The Business Report and the Financial Statements, please refer pages 9 to 12 and 14 to 36 of this handbook (Attachments 1 and 3).

Resolution:

(Proposed by the Board of Directors)

2. Acknowledgment of the 2021 Earnings Distribution

Explanatory Notes :

The 2021 Earning Distribution Statement have been approved by the board and the audit committee with review report, please refer page 37 of this handbook (Attachments 4).

Resolution:

Matters for Discussion

(Proposed by the Board of Directors)

1. Amendments to the Articles of Incorporation.

Explanatory Notes :

- (1) To provide flexibility in the manner in which the Company convenes its shareholders' meetings, in accordance with Article 172-2, Paragraph 1 of the Company Act, the Company's Articles of Incorporation expressly provide that a shareholders' meeting may be held by video conference or other means announced by the central competent authority.
- (2) The comparison table for the Articles of Incorporation before and after the

amendment, please refer page 38 of this handbook (Attachments 5).

Resolution:

(Proposed by the Board of Directors)

2. Amendments to the Handling Procedures for Acquisition or Disposal of Assets.

Explanatory Notes :

- (1) The Company intends to amend the Handling Procedures for Acquisition or Disposal of Assets, in order to comply with the ordinance of the competent authority.
- (2) The comparison table for the Handling Procedures for Acquisition or Disposal of Assets before and after the amendment, please refer pages 39 to 46 of this handbook (Attachments 6).

Resolution:

(Proposed by the Board of Directors)

3. Amendments to the Handling Procedures for Conducting Derivative Transactions.

Explanatory Notes :

- (1) The Company intends to amend the Handling Procedures for Conducting Derivative Transactions in response to operational needs.
- (2) The comparison table for the Handling Procedures for Conducting Derivative Transactions before and after the amendment, please refer page 47 of this handbook (Attachments 7).

Resolution:

(Proposed by the Board of Directors)

4. Amendments to the Regulation of Shareholders Meetings.

Explanatory Notes :

- (1) The Company intends to amend the Regulation of Shareholders Meetings, in order to comply with the ordinance of the competent authority.
- (2) The comparison table for the Regulation of Shareholders Meetings before and after the amendment, please refer pages 48 to 49 of this handbook (Attachments 8).

Resolution:

(Proposed by the Board of Directors)

5. New common share issuance through the increase of capital by capitalization of capital reserve.

Explanatory Notes :

- (1) The company allocated NT\$84,211,490 to the capital reserve, and issued 8,421,149 new shares with a denomination of NT\$10 per share.
- (2) The capital surplus is transferred to increase the capital to issue new shares, which will be distributed in accordance with the proportion of shares held in the shareholder register on the base day of capital increase, and 60 shares will be allotted free of charge for every thousand shares. The existing shareholders may apply to the stock transfer agent of the Company within 5 days from the date for book closure to combine fractional shares into full shares. When existing shareholders forfeit their subscription rights, their subscription is insufficient, or for fractional shares that fall short of full shares, authorization Chairman shall be

informed and will contact specific persons for purchase at the issue price.

- (3) The rights and obligations of the new shares issued this time are the same as those of the original issued ordinary shares.
- (4) Capital increase and issuance of new shares, after the approval of the shareholders meeting and Securities and Futures Bureau. Authorize the board of directors to separately set the base date, issuance date and other related matters of capital increase and allotment. If a change in the share capital affects the number of shares outstanding and the rights issue rate changes as a result, the board of directors shall be authorized to deal with it.

Resolution:

(Proposed by the Board of Directors)

6. Discussion to approve the lifting of non-competition restrictions for directors.

Explanatory Notes :

- (1) According to Article 209 of the Company Law, the 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) For the content of the new directors' competition, please refer to page 50 of this handbook (Attachment 9)

Resolution:

Extemporary Motions

Adjournment

Business Report

2021 is the 25th year of the establishment of Phoenix semiconductor international corporation (PSI). After a quarter century, PSI appreciate shareholders for your long-term support. Facing the next 25 years, we comprehensively scan our core values and competitiveness. Reclaim wafer and wafer thinning business market long-term growth is high, PSI have technology, production capacity and cost advantages, our strategy: focus on the development of wafer reclaim and wafer thinning, the two major businesses. In 2021, with the efforts of all employees, PSI annual revenue was 2.65 billion NTD, a record high in history, with an annual growth of 16.93%, and an operating profit of 233million NTD, an annual growth of 57.65%. At the same time, we actively promote the sustainable development of ESG, passing the ISO 14046 greenhouse gas emission certification in 2021, and receiving TSMC's recognition of PSI's contribution to energy conservation and carbon reduction.

Operational performance

In 2021, driven by HPC and 5G, the global fab capacity continues to expand and the demand for advanced process increases rapidly, which drive the quality and quantity of the reclaim wafer grow significantly. In response to customer needs, PSI successfully mass production the first high-grade reclaim wafer used in the most advanced process in the second half of 2021, which not only made a breakthrough in quality, but also greatly increased output. PSI continued to expand capacity at Hsinchu Plant and purchased a new plant in Taichung. 12" reclaim wafer capacity increased from 300k wafer per month in 2020 to 360k wafer per month by the end of 2021, and the Taichung g plant is expected to begin mass production in the second half of 2022.

After performance and efficiency adjustments in 2020 and 1H2021, although thinning business still limited by the 8-inch fab capacity allocation, the wafer thinning business has returned to growth. The output of the most advanced 50um Taiko thinning process has increased significantly, driven by the demand for servers. Due to the rapid increase in market demand for automotive power semiconductors and high-frequency switching, PSI collaborate with customers are focusing on the development of automotive MOSFETs and 12" wafer thinning business.

In 2021, biometric chip obtains the three-year semiconductor industry-university R&D alliance program subsidized by the Ministry of Science and Technology. PSI officially entered the development of medical devices. The detection chip for postoperative recurrence of lung adenocarcinoma patients enters the clinical verification of the first phase of blood sample

testing. The heart failure detection chip enters the testing stage of the prototype chip serum sample.

Financial performance

Item	NTD K, %		
	2021	2020	YoY
Revenue	2,651,386	2,267,585	16.93%
Gross profit	666,642	535,203	24.56%
Operating profit	232,554	147,514	57.65%
Net profit before taxes	262,369	156,655	67.48%
Net profit is attributable to the owners of the parent company	235,654	134,553	75.14%
Earnings per share (NTD)	1.68	0.96	75.14%
Return on assets	4.81%	4.52%	6.42%
Debt ratio	60.22%	54.64%	10.21%

Corporate Social Responsibility

PSI continues to be committed to ESG, implement sound corporate governance, and fulfill its responsibilities for environmental protection and major social issues. In 2021, the following results compared with 2020 were achieved: a 17% reduction in electricity consumption per unit of product, a 15% reduction in water consumption, a 15% reduction in wastewater and a 20% decrease in airborne volatile organic compounds. In 2022, PSI continue to improve the environmental protection issue, and the Taichung plant will be taken a big step towards a friendly environment with new automation, intelligence, and green production. Therefore, PSI has set ESG environmental targets, and from 2022, the annual power saving intensity will be more than 1%, and the greenhouse gas emissions per unit of product will be reduced by more than 10%.

Development strategy

Reclaim wafer foundry services continue to develop the next generation of high-grade reclaim wafers, and further improve the degree of automation, in order to cope with the long-term structural shortage of labor problems, while further developing green production, in order to achieve quality and environmental protection of both suppliers, the whole plant modular design, in order to facilitate rapid expansion to meet customer needs. On top of the existing services, PSI will further expand the scope of wafer applications, and jointly develop new test wafers with the suppliers, so as to enhance the marginal contribution and extend to overseas customers through the advantages of combined production capacity.

Wafer thinning foundry services continue to cultivate the IDMs and IC design companies. PSI improve yield and pass the reliability of vehicle specification levels and develop high voltage thinning process services. As high value-added power semiconductors move to 12-inch processes, PSI develop a 12-inch power semiconductor wafer thinning process together with our customers. In addition, as the high frequency switching and fast charging market continues to grow rapidly, PSI is developing compound semiconductor thinning services.

The biochip will take the lung adenocarcinoma recurrence tracking chip and the integrated heart failure fixed-point care detection chip as the cornerstone for the development of the point-of-care testing system and continue to improve the sensitivity of the chip and the development of peripheral accessories to provide a high-precision and stable POCT medical detection system.

The impact of the external competitive environment, the regulatory environment and the overall operating environment

Looking forward to 2022, with the gradual lifting of the epidemic in various countries, the overall operating environment should gradually improve. However, there are many potential risks remain, especially in geopolitical disputes, including the US-China trade conflict and the recent Ukraine-Russia conflict, as well as the ongoing COVID-19 variant virus, which has led to lockdowns in China and unrest in Hong Kong, and the expected rise in structural inflation that has led to higher interest rates in the United States and many countries. If many of the above factors are not effectively controlled, they may affect the recovery schedule of the overall global operating environment, which in turn will affect the company's operating performance in the short term.

Outlook

In terms of long-term outlook, with the leading wafer cleaning and thinning technology and in-depth cooperation with customers, PSI can firmly grasp the trend of substantial industrial growth to enter the era of AI, 5G and EV, which are requiring high performance computing and higher energy efficiency, which in turn drives the demand for wafer volume and advanced processes and drives the improvement of the quality and quantity of various wafers. PSI will remain flexible and focus on our own core value, continue to improve the technical level, expand production capacity in a timely manner, enlarge the gap with competitors, in order to meet the trusted cooperative relationships of customers, and create the best interests of shareholders and employees.

Again, we would like to emphasize to shareholders once again that PSI will have corporate governance, environmental protection, supply chain management, friendly workplace, and social participation to promote the practice of working together with all colleagues to realize the vision of sustainable management of enterprises. PSI is looking forward to maintaining long-term relations with shareholders and creating a prosperous future.

Chairperson : Mike Yang  President : Tony Tsai  Chief Account : Eunice Tai 

Phoenix Silicon International Corporation

Audit Committee's Review Report

The Board of Directors has prepared the Company's Financial Statements, 2021 Business Report and proposal for distribution of 2021 earnings. Of which, the Financial Statements have been audited by PricewaterhouseCoopers Taiwan. The Financial Statements, 2021 Business Report and proposal for distribution of 2021 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

Phoenix Silicon International Corporation

Chairman of the Audit Committee : Ming-Cheng Liang



On the date of April 14, 2022

REPORT OF INDEPENDENT ACCOUNTANTS

(111) Financial Report No. 21003653

To the Board of Directors and Shareholders of Phoenix Silicon International Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Phoenix Silicon International Corporation and subsidiaries (the “Group”) as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s 2021 consolidated financial statements are stated as

follows:

Accuracy of revenue recognition

Description

Please refer to Note 4(29) for accounting policies on revenue recognition and Note 6(20) for details of operating revenue account.

The Group is primarily engaged in the professional processing of semiconductor wafer, such as reclaim, thinning and other services. Service revenue were derived from the transfer of services over time and satisfied performance obligation. The Group measured the completion degree of performance obligation with the invested cost which is for satisfying the performance obligation relative to the expected total cost for satisfying the performance obligation as the basic determination. Considering the estimates of expected total cost were uncertain and will affect the accuracy of revenue recognition based on the completion degree of performance obligation of unfinished orders, thus, we consider the accuracy of revenue recognition as a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included :

Obtained an understanding and assessed the accounting policy of revenue recognition and tested the effectiveness of related internal control's design and execution. Checked the related evidence and calculation of the completion degree measurement of performance obligation.

Audit of capitalisation of property, plant and equipment

Description

Please refer to Note 4(14) for accounting policies on property, plant and equipment and Note 6(7) for details of property, plant and equipment.

The Group is primarily engaged in the professional processing of semiconductor wafer, such as reclaim, thinning and other services. In order to continuously develop advanced technical capacity to satisfy customers' demand, the Group has to increase its capital expenditure. Considering the amount of capital expenditure of current year was material, thus, we consider the capitalisation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included :

Evaluated and tested the effectiveness of related internal control of the timing of additions and recognition of depreciation of property, plant and equipment. Sampled and verified related purchase orders, invoices and others to confirm that the transaction has been adequately approved and the accuracy of accounted amount is correct. Sampled the acceptance report to confirm that the assets have reached usable state and whether the timing of listing into general inventory and recognising depreciation were adequate.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the consolidated financial statements of PHOENIX SILICON INTERNATIONAL CORPORATION as at and for the years ended December 31, 2021 and 2020.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Liu, Chien-Yu

Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,081,999	17	\$ 1,140,746	22
1110	Financial assets at fair value through profit or loss - current	6(2)	17,750	-	595	-
1136	Current financial assets at amortised cost	6(3) and 8	-	-	3,500	-
1140	Current contract assets	6(20)	77,591	1	128,884	3
1150	Notes receivable, net	6(4)	185	-	100	-
1170	Accounts receivable, net	6(4)	462,950	8	359,570	7
1180	Accounts receivable due from related parties, net	6(4) and 7	331	-	-	-
1200	Other receivables		2,733	-	2,020	-
1220	Current income tax assets		-	-	2,277	-
130X	Inventories	6(5)	165,659	3	247,462	5
1410	Prepayments		16,510	-	14,207	-
1470	Other current assets		1,578	-	2,071	-
11XX	Current Assets		<u>1,827,286</u>	<u>29</u>	<u>1,901,432</u>	<u>37</u>
Non-current assets						
1535	Non-current financial assets at amortised cost	6(3) and 8	12,417	-	12,417	-
1550	Investments accounted for under equity method	6(6)	125,503	2	-	-
1600	Property, plant and equipment	6(7)(9) and 8	3,635,757	57	2,819,389	55
1755	Right-of-use assets	6(8)	324,312	5	245,422	5
1780	Intangible assets	6(9)	30,184	1	29,506	1
1840	Deferred income tax assets	6(28)	31,349	1	20,229	-
1900	Other non-current assets		341,171	5	94,934	2
15XX	Non-current assets		<u>4,500,693</u>	<u>71</u>	<u>3,221,897</u>	<u>63</u>
1XXX	Total assets		<u>\$ 6,327,979</u>	<u>100</u>	<u>\$ 5,123,329</u>	<u>100</u>

(Continued)

HOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(11) and 8	\$ -	-	\$ 30,000	-
2120	Financial liabilities at fair value through profit or loss - current	6(12)	-	-	1,258	-
2130	Current contract liabilities	6(21)	157	-	32,642	1
2170	Accounts payable		153,441	3	149,408	3
2200	Other payables	6(13)	373,734	6	300,872	6
2220	Other payables to related parties	6(13) and 7	5	-	-	-
2230	Current income tax liabilities		12,440	-	-	-
2280	Current lease liabilities		11,462	-	14,367	-
2320	Long-term liabilities, current portion	6(14)(15)	1,156,060	18	1,217,023	24
2399	Other current liabilities, others		1,861	-	1,220	-
21XX	Current Liabilities		<u>1,709,160</u>	<u>27</u>	<u>1,746,790</u>	<u>34</u>
Non-current liabilities						
2540	Long-term borrowings	6(15) and 8	1,734,296	27	764,315	15
2550	Provisions for liabilities - non-current	6(17)	16,600	-	22,383	-
2570	Deferred tax liabilities	6(28)	1,510	-	-	-
2580	Non-current lease liabilities		316,037	5	234,578	5
2600	Other non-current liabilities	6(16)	33,320	1	31,367	1
25XX	Non-current liabilities		<u>2,101,763</u>	<u>33</u>	<u>1,052,643</u>	<u>21</u>
2XXX	Total Liabilities		<u>3,810,923</u>	<u>60</u>	<u>2,799,433</u>	<u>55</u>
Equity						
Share capital						
3110	Share capital - common stock	6(18)	1,403,525	22	1,324,080	26
Capital surplus						
3200	Capital surplus	6(19)	610,258	10	634,768	12
Retained earnings						
3310	Legal reserve	6(20)	141,374	2	127,863	3
3350	Unappropriated retained earnings		361,899	6	220,854	4
31XX	Equity attributable to owners of the parent		<u>2,517,056</u>	<u>40</u>	<u>2,307,565</u>	<u>45</u>
36XX	Non-controlling interest		-	-	16,331	-
3XXX	Total equity		<u>2,517,056</u>	<u>40</u>	<u>2,323,896</u>	<u>45</u>
Significant Contingent Liabilities and Unrecognised Contract Commitments						
Significant Disaster Loss						
3X2X	Total liabilities and equity		<u>\$ 6,327,979</u>	<u>100</u>	<u>\$ 5,123,329</u>	<u>100</u>

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

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(21)	\$ 2,651,386	100	\$ 2,267,585	100
5000 Operating costs	6(5)(26)	(1,984,744)	(75)	(1,732,382)	(76)
5950 Net operating margin		666,642	25	535,203	24
Operating expenses	6(26)(27)				
6100 Selling expenses		(36,034)	(1)	(37,798)	(1)
6200 General and administrative expenses		(265,669)	(10)	(220,548)	(10)
6300 Research and development expenses		(132,689)	(5)	(129,086)	(6)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	304	-	(257)	-
6000 Total operating expenses		(434,088)	(16)	(387,689)	(17)
6900 Operating profit		232,554	9	147,514	7
Non-operating income and expenses					
7100 Interest income	6(22)	1,129	-	3,088	-
7010 Other income	6(23)	2,389	-	46,861	2
7020 Other gains and losses	6(24)	47,219	2	(10,889)	(1)
7050 Finance costs	6(25)	(20,922)	(1)	(29,919)	(1)
7000 Total non-operating income and expenses		29,815	1	9,141	-
7900 Profit before income tax		262,369	10	156,655	7
7950 Income tax (expense) benefit	6(28)	(7,195)	-	21,383	1
8000 Profit for the year from continuing operations		255,174	10	178,038	8
Discontinued operations					
8100 Loss from discontinued operations	6(10)	(37,711)	(2)	(62,480)	(3)
8200 Profit for the year		\$ 217,463	8	\$ 115,558	5

(Continued)

Phoenix Silicon International Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, Except earnings per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Actuarial (loss) gain on defined benefit plan	6(16)	(\$ 2,066)	-	\$ 697	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	413	-	(139)	-
8300	Other comprehensive (loss) income for the year		(\$ 1,653)	-	\$ 558	-
8500	Total comprehensive income for the year		\$ 215,810	8	\$ 116,116	5
Profit (loss), attributable to :						
8610	Owners of the parent		\$ 235,654	9	\$ 134,553	6
8620	Non-controlling interest		(18,191)	(1)	(18,995)	(1)
	Total comprehensive income for the year		\$ 217,463	8	\$ 115,558	5
Comprehensive income, attributable to :						
8710	Owners of the parent		\$ 234,001	9	\$ 135,111	6
8720	Non-controlling interest		(18,191)	(1)	(18,995)	(1)
	Profit before income tax, net		\$ 215,810	8	\$ 116,116	5
Basic earnings per share						
9710	Basic earnings (loss) per share from continuing operations	6(29)	\$	1.85	\$	1.30
9720	Basic earnings (loss) per share from discontinued operations		(0.17)		(0.34)	
9750	Total basic earnings per share		\$ 1.68		\$ 0.96	
Diluted earnings per share						
9810	Diluted earnings (loss) per share from continuing operations	6(29)	\$	1.74	\$	1.26
9820	Diluted earnings (loss) per share from discontinued operations		(0.15)		(0.31)	
9850	Total diluted earnings per share		\$ 1.59		\$ 0.95	

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

Phoenix Silicon International Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, Except earnings per share)
Equity attributable to owners of the parent

	Notes	Retained Earnings				Total	Non-controlling interest	Total equity
		Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Total unappropriated retained earnings (accumulated deficit)			
Year 2020								
Balance at January 1, 2020		\$ 1,324,080	\$ 634,768	\$ 95,022	\$ 383,400	\$ 2,437,270	\$ 35,326	\$ 2,472,596
Profit (loss)		-	-	-	134,553	134,553	(18,995)	115,558
Other comprehensive income		-	-	-	558	558	-	558
Total comprehensive income (loss)		-	-	-	135,111	135,111	(18,995)	116,116
Distribution of 2019 earnings:	6(20)							
Legal reserve		-	-	32,841	(32,841)	-	-	-
Cash dividends		-	-	-	(264,816)	(264,816)	-	(264,816)
Balance at December 31, 2020		<u>\$ 1,324,080</u>	<u>\$ 634,768</u>	<u>\$ 127,863</u>	<u>\$ 220,854</u>	<u>\$ 2,307,565</u>	<u>\$ 16,331</u>	<u>\$ 2,323,896</u>
Year 2021								
Balance at January 1, 2021		\$ 1,324,080	\$ 634,768	\$ 127,863	\$ 220,854	\$ 2,307,565	\$ 16,331	\$ 2,323,896
Profit (loss)		-	-	-	235,654	235,654	(18,191)	217,463
Other comprehensive loss		-	-	-	(1,653)	(1,653)	-	(1,653)
Total comprehensive income (loss)		-	-	-	234,001	234,001	(18,191)	215,810
Distribution of 2020 earnings:	6(20)							
Legal reserve		-	-	13,511	(13,511)	-	-	-
Cash dividends		-	-	-	(79,445)	(79,445)	-	(79,445)
Capital Surplus Transferred to Capital	6(18)(19)	79,445	(79,445)	-	-	-	-	-
Changes in shares of affiliates and joint ventures recognized under the equity method	6(19)(30)	-	54,935	-	-	54,935	(54,935)	-
Non-controlling interests capital increase	6(30)	-	-	-	-	-	200,000	200,000
Share-based payment transactions		-	-	-	-	-	1,830	1,830
Reduction in non-controlling interests in mergers	6(30)	-	-	-	-	-	(145,035)	(145,035)
Balance at December 31, 2021		<u>\$ 1,403,525</u>	<u>\$ 610,258</u>	<u>\$ 141,374</u>	<u>\$ 361,899</u>	<u>\$ 2,517,056</u>	<u>\$ -</u>	<u>\$ 2,517,056</u>

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

Phoenix Silicon International Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		\$ 262,369	\$ 156,655
Loss from discontinued operations before tax	6(10)	(37,711)	(62,480)
Profit before tax		224,658	94,175
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(26)	549,632	477,189
Amortization	6(26)	17,026	17,972
Expected credit impairment benefit / bad debt expenses	12(2)	(304)	257
Gain on financial assets at fair value through profit or loss	6(2)(12)(24)	(12,707)	(4,800)
Interest expense	6(25)	24,031	32,986
Share-based payment transaction		1,830	-
Interest income	6(22)	(1,147)	(3,112)
Gain on disposals of property, plant and equipment	6(24)	(1,406)	(3,718)
Impairment loss on property, plant and equipment	6(24)	1,960	2,143
Impairment (return benefit) loss on intangible asset	6(24)	(101)	541
Gain on disposal of investments	6(24)	(53,524)	-
Loss on financial assets at amortized cost	6(24)	73	-
Customer default payments with assets		-	(28,912)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial asset or financial liability at fair value through profit or loss		4,694	6,324
Contract assets		51,293	42,175
Notes receivable		(85)	56
Accounts receivable		(116,948)	(5,221)
Accounts receivable – related parties		(336)	-
Other receivables		(791)	22,470
Inventories		(31,924)	(1,904)
Prepayments		(7,618)	(1,166)
Other current assets		448	(335)
Changes in operating liabilities			
Contract liabilities		(19,333)	19,654
Notes payable		1,050	-
Accounts payable		13,560	6,581
Accounts payable- related parties		331	-
Other payables		47,556	(66,986)
Other payables- related parties		5	-
Provision of liabilities	6(17)	361	(363)
Other current liabilities		1,205	657
Net defined benefit liability		(1,016)	(601)
Long-term payables		925	1,478
Cash inflow generated from operations		693,398	607,540
Interest received		1,225	3,263
Interest paid		(15,007)	(17,044)
Income tax paid		(1,675)	(37,357)
Net cash flows from operating activities		677,941	556,402

(Continued)

Phoenix Silicon International Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(\$ 2,000)	(\$ 2,123)
Proceeds from disposal of financial assets at amortized cost		500	-
Acquisition of financial assets at fair value through profit or loss		(10,400)	-
Decrease in cash in the accounts of subsidiaries	6(31)	(169,407)	-
Acquisition of property, plant and equipment	6(31)	(1,629,004)	(913,332)
Proceeds from disposal of property, plant and equipment		10,182	9,795
Acquisition of intangible assets	6(31)	(21,834)	(14,781)
Increase in refundable deposits		(3,718)	(5,919)
Decrease in refundable deposits		549	1,965
Net cash flows used in investing activities		<u>(1,825,132)</u>	<u>(924,395)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(32)	752,057	104,829
Decrease in short-term borrowings	6(32)	(741,407)	(111,175)
Repayment of convertible corporate bonds	6(32)	(5,426)	-
Increase in long-term borrowings	6(32)	1,216,690	618,203
Repayment of long-term borrowings	6(32)	(238,379)	(635,317)
Increase in guarantee deposits	6(32)	78	290
Decrease in guarantee deposits	6(32)	(100)	(146)
Repayment of principal portion of lease liabilities	6(32)	(15,624)	(14,525)
Cash dividends paid	6(20)	(79,445)	(264,816)
Cash increase in non-controlling equity in subsidiaries	6(30)	200,000	-
Net cash flows from (used in) financing activities		<u>1,088,444</u>	<u>(302,657)</u>
Net decrease in cash and cash equivalents		(58,747)	(670,650)
Cash and cash equivalents at beginning of year	6(1)	1,140,746	1,811,396
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,081,999</u>	<u>\$ 1,140,746</u>

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

REPORT OF INDEPENDENT ACCOUNTANTS

(111) Financial Report No. 21003480

To the Board of Directors and Shareholders of Phoenix Silicon International Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Phoenix Silicon International Corporation (the “Company”) as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 for our opinion.

Key audit matters

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

Key audit matters for the parent company only financial statements are stated as follows:

Accuracy of revenue recognition

Description

Please refer to Note 4(29) for accounting policies on revenue recognition and Note 6(19) for details of operating revenue account.

The Company is primarily engaged in the professional processing of semiconductor wafer, such as reclaim, thinning and other services. Service revenue were derived from the transfer of services over time and satisfied performance obligation. The Company measured the completion degree of performance obligation with the invested cost which is for satisfying the performance obligation relative to the expected total cost for satisfying the performance obligation as the basic determination. Considering the estimates of expected total cost were uncertain and will affect the accuracy of revenue recognition based on the completion degree of performance obligation of unfinished orders, thus, we consider the accuracy of revenue recognition as a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included :

Obtained an understanding and assessed the accounting policy of revenue recognition and tested the effectiveness of related internal control's design and execution. Checked the related evidence and calculation of the completion degree measurement of performance obligation.

Audit of capitalisation of property, plant and equipment

Description

Please refer to Note 4(14) for accounting policies on property, plant and equipment and Note 6(7) for details of property, plant and equipment.

The Company is primarily engaged in the professional processing of semiconductor wafer, such as reclaim, thinning and other services. In order to continuously develop and build advanced technical capacity to satisfy customers' demand, the Group has to increase its capital expenditure. Considering the amount of capital expenditure of current year was material, thus, we consider the capitalisation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included :

Evaluated and tested the effectiveness of related internal control of the timing of additions and recognition of depreciation of property, plant and equipment. Sampled and verified related purchase orders, invoices and others to confirm that the transaction has been adequately approved and the accuracy of accounted amount is correct. Sampled the acceptance report to confirm that the assets have reached usable state and whether the timing of listing into general inventory and recognising depreciation were adequate.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the parent company only financial statements, management is responsible for assessing the 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 parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 Company to express an opinion on the consolidated 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Liu, Chien-Yu

Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Phoenix Silicon International Corporation
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,081,999	17	\$ 1,124,579	23
1110	Financial assets at fair value through profit or loss - current	6(2)	17,750	-	595	-
1136	Current financial assets at amortised cost	6(3)	-	-	500	-
1140	Current contract assets	6(19)	77,591	1	128,884	3
1150	Notes receivable, net	6(4)	185	-	100	-
1170	Accounts receivable, net	6(4)	462,950	8	332,330	7
1180	Accounts receivable - related parties	6(4) and 7	331	-	662	-
1200	Other receivables		2,733	-	2,020	-
1210	Other receivables - related parties	7	-	-	252	-
1220	Current income tax assets		-	-	2,274	-
130X	Inventories	6(5)	165,659	3	143,001	3
1410	Prepayments		16,510	-	10,566	-
1470	Other current assets		1,578	-	1,799	-
11XX	Current Assets		<u>1,827,286</u>	<u>29</u>	<u>1,747,562</u>	<u>36</u>
Non-current assets						
1535	Non-current financial assets at amortised cost	6(3) and 8	12,417	-	12,417	-
1550	Investments accounted for under equity method	6(6)	125,503	2	41,105	1
1600	Property, plant and equipment	6(7) and 8	3,635,757	57	2,718,023	56
1755	Right-of-use assets	6(8)	324,312	5	231,694	5
1780	Intangible assets		30,184	1	29,327	-
1840	Deferred income tax assets	6(26)	31,349	1	20,229	-
1900	Other non-current assets		341,171	5	87,292	2
15XX	Non-current assets		<u>4,500,693</u>	<u>71</u>	<u>3,140,087</u>	<u>64</u>
1XXX	Total assets		<u>\$ 6,327,979</u>	<u>100</u>	<u>\$ 4,887,649</u>	<u>100</u>

(Continued)

Phoenix Silicon International Corporation
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2120	Financial liabilities at fair value	6(10)				
	through profit or loss - current		\$ -	-	\$ 1,258	-
2130	Current contract liabilities	6(19)	157	-	1,040	-
2170	Accounts payable		153,441	3	129,285	3
2200	Other payables	6(11)	373,734	6	260,132	5
2220	Other payables - related parties	6(11) and 7	5	-	-	-
2230	Current income tax liabilities		12,440	-	-	-
2280	Current lease liabilities		11,462	-	7,660	-
2320	Long-term liabilities, current portion	6(12)(13)	1,156,060	18	1,191,363	25
2399	Other current liabilities, others		1,861	-	1,034	-
21XX	Current Liabilities		<u>1,709,160</u>	<u>27</u>	<u>1,591,772</u>	<u>33</u>
	Non-current liabilities					
2540	Long-term borrowings	6(13)	1,734,296	27	715,040	14
2550	Provisions for liabilities - non-current	6(15)	16,600	-	14,892	-
2570	Deferred tax liabilities	6(26)	1,510	-	-	-
2580	Non-current lease liabilities		316,037	5	227,013	5
2600	Net defined benefit liability - non-current	6(14)	33,320	1	31,367	1
25XX	Non-current liabilities		<u>2,101,763</u>	<u>33</u>	<u>988,312</u>	<u>20</u>
2XXX	Total Liabilities		<u>3,810,923</u>	<u>60</u>	<u>2,580,084</u>	<u>53</u>
	Equity					
	Share capital	6(16)				
3110	Share capital - common stock		1,403,525	22	1,324,080	27
	Capital surplus	6(17)				
3200	Capital surplus		610,258	10	634,768	13
	Retained earnings	6(18)				
3310	Legal reserve		141,374	2	127,863	3
3350	Unappropriated retained earnings		361,899	6	220,854	4
3XXX	Total equity		<u>2,517,056</u>	<u>40</u>	<u>2,307,565</u>	<u>47</u>
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
3X2X	Total liabilities and equity		<u>\$ 6,327,979</u>	<u>100</u>	<u>\$ 4,887,649</u>	<u>100</u>

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

Phoenix Silicon International Corporation
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Items	Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(19) and 7	\$ 2,656,741	100	\$ 2,272,675	100
5000	Operating costs	6(5)(24)(25) and 7	(1,990,099)	(75)	(1,737,472)	(77)
5950	Net operating margin		666,642	25	535,203	23
	Operating expenses	6(24)(25)				
6100	Selling expenses		(36,034)	(1)	(37,797)	(1)
6200	General and administrative expenses		(265,894)	(10)	(220,743)	(10)
6300	Research and development expenses		(132,689)	(5)	(129,086)	(6)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	304	-	(257)	-
6000	Total operating expenses		(434,313)	(16)	(387,883)	(17)
6900	Operating profit		232,329	9	147,320	6
	Non-operating income and expenses					
7100	Interest income	6(20) and 7	1,145	-	3,088	-
7010	Other income	6(21) and 7	7,142	-	51,194	2
7020	Other gains and losses	6(22)	47,219	2	(10,890)	-
7050	Finance costs	6(23)	(20,922)	(1)	(29,919)	(1)
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(6)	(24,064)	(1)	(47,623)	(2)
7000	Total non-operating income and expenses		10,520	-	(34,150)	(1)
7900	Profit before income tax		242,849	9	113,170	5
7950	Income tax (expense) benefit	6(26)	(7,195)	-	21,383	1
8200	Profit for the year		\$ 235,654	9	\$ 134,553	6
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(14)	(\$ 2,066)	-	\$ 697	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	413	-	(139)	-
8300	Other comprehensive (loss) income for the year, net of tax		(\$ 1,653)	-	\$ 558	-
8500	Total comprehensive income for the year		\$ 234,001	9	\$ 135,111	6
	Basic earnings per share	6(27)				
9750	Basic earnings per share		\$	1.68	\$	0.96
	Diluted earnings per share	6(27)				
9850	Diluted earnings per share		\$	1.59	\$	0.95

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

Phoenix Silicon International Corporation
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common share	Capital surplus, additional paid-in capital	Retained Earnings		Total equity
				Legal reserve	Unappropriated retained earnings	
<u>Year 2020</u>						
Balance at January 1, 2020		\$ 1,324,080	\$ 634,768	\$ 95,022	\$ 383,400	\$ 2,437,270
Profit		-	-	-	134,553	134,553
Other comprehensive income		-	-	-	558	558
Total comprehensive income		-	-	-	135,111	135,111
Distribution of 2019 earnings:	6(18)					
Legal reserve		-	-	32,841	(32,841)	-
Cash dividends		-	-	-	(264,816)	(264,816)
Balance at December 31, 2020		\$ 1,324,080	\$ 634,768	\$ 127,863	\$ 220,854	\$ 2,307,565
<u>Year 2021</u>						
Balance at January 1, 2021		\$ 1,324,080	\$ 634,768	\$ 127,863	\$ 220,854	\$ 2,307,565
Profit		-	-	-	235,654	235,654
Other comprehensive loss		-	-	-	(1,653)	(1,653)
Total comprehensive income		-	-	-	234,001	234,001
Distribution of 2020 earnings:	6(18)					
Legal reserve		-	-	13,511	(13,511)	-
Cash dividends		-	-	-	(79,445)	(79,445)
Capital Surplus Transferred to Capital	6(16)(17)	79,445	(79,445)	-	-	-
Changes in shares of affiliates and joint ventures recognized under the equity method	6(17)	-	54,935	-	-	54,935
Balance at December 31, 2021		\$ 1,403,525	\$ 610,258	\$ 141,374	\$ 361,899	\$ 2,517,056

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

Phoenix Silicon International Corporation
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 242,849	\$ 113,170
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(24)	517,204	442,048
Amortization	6(24)	16,813	17,222
Expected credit impairment benefit / bad debt expenses	12(2)	(304)	257
Gain on financial assets at fair value through profit or loss	6(2)(10)(22)	(12,707)	(4,800)
Interest expense	6(23)	20,922	29,919
Interest income	6(20)	(1,145)	(3,088)
Share of profit or loss of investments accounted for using equity method	6(6)	24,064	47,623
Gain on disposals of property, plant and equipment	6(22)	(1,358)	(3,777)
Gain on disposal of investments accounted for using equity method	6(22)	(53,524)	-
Loss of financial assets at amortized cost	6(22)	73	-
Customer default payments with assets		-	(28,912)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial asset or financial liability at fair value through profit or loss		4,694	6,324
Contract assets		51,293	42,175
Notes receivable		(85)	56
Accounts receivable		(130,316)	13,935
Accounts receivable—related parties		331	409
Other receivables		(791)	(451)
Other receivables—related parties		252	582
Inventories		(22,658)	(7,608)
Prepayments		(5,944)	(1,887)
Other current assets		221	(302)
Changes in operating liabilities			
Contract liabilities		(883)	(2,355)
Accounts payable		24,156	2,547
Other payables		67,239	(70,247)
Other payables- related parties		5	-
Other current liabilities		827	641
Net defined benefit liability		(1,016)	(601)
Long-term payables		925	1,478
Cash inflow generated from operations		741,137	594,358
Interest received		1,223	3,238
Interest paid		(12,369)	(14,351)
Income tax paid		(1,678)	(37,357)
Net cash flows from operating activities		<u>728,313</u>	<u>545,888</u>

(Continued)

Phoenix Silicon International Corporation
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		\$ -	(\$ 2,123)
Proceeds from disposal of financial assets at amortized cost		500	-
Acquisition of financial assets at fair value through profit or loss	6(2)	(10,400)	-
Additions of investments accounted for using equity method	6(6)	(3)	-
Acquisition of property, plant and equipment	6(28)	(1,627,064)	(912,755)
Proceeds from disposal of property, plant and equipment		10,134	9,795
Acquisition of intangible assets	6(28)	(21,616)	(14,152)
Increase in refundable deposits		(2,668)	(1,673)
Decrease in refundable deposits		-	1,850
Net cash flows used in investing activities		(1,651,117)	(919,058)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		670,000	40,000
Decrease in short-term borrowings		(670,000)	(40,000)
Repayment of convertible corporate bonds	6(29)	(5,426)	-
Increase in long-term borrowings	6(29)	1,186,690	618,203
Repayment of long-term borrowings	6(29)	(212,719)	(616,580)
Increase in guarantee deposits	6(29)	78	290
Decrease in guarantee deposits	6(29)	(100)	(146)
Repayment of principal portion of lease liabilities	6(29)	(8,854)	(8,084)
Cash dividends paid	6(18)	(79,445)	(264,816)
Net cash flows from (used in) financing activities		880,224	(271,133)
Net decrease in cash and cash equivalents		(42,580)	(644,303)
Cash and cash equivalents at beginning of year	6(1)	1,124,579	1,768,882
Cash and cash equivalents at end of year	6(1)	\$ 1,081,999	\$ 1,124,579

(Attachment 4)

Phoenix Silicon International Corporation	
Earnings Allocation Table	
Year 2021	
	Unit: NT\$
Accumulated un-appropriated earnings at the beginning of the period	127,898,373
The adjustments of cumulative actuarial gains and losses to Retained Earnings	(1,653,122)
Add: 2021 Net Profit	235,653,778
Minus: Appropriated as legal reserve	(23,400,066)
Earnings available for appropriation	338,498,963
Cash dividends to common shareholders (Per share cash dividend distribution NT\$0.8)	(112,281,984)
Unappropriated retained earnings	226,216,979

Chairperson : Mike Yang



President : Tony Tsai



Chief Account : Eunice Tai



Comparison table for the Articles of Incorporation
before and after the amendment

Amended provisions	Original Article	Reason of amendment
<p><u>Article 11-1</u> <u>The Company's Shareholders' meetings can be held by means of visual communication network or other means as announced by the Ministry of Economic Affairs.</u></p>		<p>Add this new article. In order to make the meeting of shareholders more flexible, the Articles of Incorporation are amended in accordance with Article 172-2, Paragraph 1 of the Company Act.</p>
<p>Article 33 This articles of incorporation is established on February 20, 1997. The 1st amendment on December 2, 1997. The 2nd amendment on April 12, 2000. The 3rd amendment on May 30, 2001. The 4th amendment on June 19, 2002. The 5th amendment on June 27, 2006. The 6th amendment on June 26, 2007. The 7th amendment on June 30, 2008. The 8th amendment on June 24, 2009. The 9th amendment on June 27, 2012. The 10th amendment on June 26, 2013. The 11th amendment on June 26, 2014. The 12th amendment on May 26, 2015. The 13th amendment on June 29, 2016. The 14th amendment on May 25, 2017. The 15th amendment on Oct. 26, 2021. <u>The 16th amendment on May 27, 2022.</u></p>	<p>Article 33 This articles of incorporation is established on February 20, 1997. The 1st amendment on December 2, 1997. The 2nd amendment on April 12, 2000. The 3rd amendment on May 30, 2001. The 4th amendment on June 19, 2002. The 5th amendment on June 27, 2006. The 6th amendment on June 26, 2007. The 7th amendment on June 30, 2008. The 8th amendment on June 24, 2009. The 9th amendment on June 27, 2012. The 10th amendment on June 26, 2013. The 11th amendment on June 26, 2014. The 12th amendment on May 26, 2015. The 13th amendment on June 29, 2016. The 14th amendment on May 25, 2017. The 15th amendment on Oct. 26, 2021.</p>	<p>Add the sixteenth amendment date.</p>

Comparison table for the Handling Procedures for Acquisition or Disposal of Assets before and after amendment

Amended provisions	Original Article	Reason of amendment
<p>Article 6: The procedures for acquisition or disposal of securities 1~3 : omitted.</p> <p>4. To obtain expert opinions (1) The Company acquiring or disposing of securities the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million or more, an accountant should be consulted to express an opinion on the reasonableness of the transaction price before the date of occurrence of the fact. However, unless the market price of the securities is publicly quoted in an active market or the Financial Supervisory Commission stipulates otherwise.</p> <p>(2) The Company for acquisition or disposal of assets through auction procedures of courts, the appraisal report or certified public accountant's opinion can be replaced by documents issued by the courts.</p>	<p>Article 6: The procedures for acquisition or disposal of securities 1~3 : omitted .</p> <p>4. To obtain expert opinions (1) The Company acquiring or disposing of securities the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million or more, an accountant should be consulted to express an opinion on the reasonableness of the transaction price before the date of occurrence of the fact. <u>If the accountant is required to use an expert report, he or she should follow the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (ARDF).</u> However, except for those securities for which there is a quoted market price in an active market or as otherwise specified by the Financial Supervisory Commission.</p> <p>(2) The Company for acquisition or disposal of assets through auction procedures of courts, the appraisal report or certified public accountant's opinion can be replaced by documents issued by the courts.</p>	<p>Article 8 of these Procedures has been amended to add the requirement that external experts should follow the self-regulatory standards of their respective peer associations, which already covers the procedures to be performed by accountants in issuing opinions, and I have deleted the language that accountants should follow the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as ARDF).</p>
<p>Article 7: The procedures for acquisition or disposal of Real property, equipment, or right-of-use assets 1~3 : omitted.</p> <p>4. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction</p>	<p>Article 7: The procedures for acquisition or disposal of Real property, equipment, or right-of-use assets 1~3 : omitted.</p> <p>4. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction</p>	<p>The reasons for the amendment are the same as those described in Article 6.</p>

Amended provisions	Original Article	Reason of amendment
<p>amount reaches 20% 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:</p> <p>(1)~ (2) : omitted.</p> <p>(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 perform the appraisal render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p>	<p>amount reaches 20% 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:</p> <p>(1)~ (2) : omitted.</p> <p>(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 perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20% or more of the</p>	

Amended provisions	Original Article	Reason of amendment
<p>b. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. (4)~(5) : omitted.</p>	<p>transaction amount. b. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. (4)~(5) : omitted.</p>	
<p>Article 8 : The procedures for acquisition or disposal of real property, equipment, or right-of-use assets from related parties</p> <p>1. When the Company acquires or disposes of real property or its right-to-use assets with a related party, in addition to the resolution procedures and evaluation of the reasonableness of the transaction terms in accordance with these Procedures, the Company shall obtain an appraisal report from a professional appraiser or an opinion from an accountant in accordance with Article 7 if the transaction amount reaches 10% or more of the Company's total assets. In determining whether the counterparty is a related party, in addition to paying attention to the legal form of the transaction, the Company shall also consider the actual relationship.</p> <p>2. Evaluation and handling process : omitted.</p>	<p>Article 8 : The procedures for acquisition or disposal of real property, equipment, or right-of-use assets from related parties</p> <p>1. When the Company acquires or disposes of real property or its right-to-use assets with a related party, in addition to the resolution procedures and evaluation of the reasonableness of the transaction terms in accordance with these Procedures, the Company shall obtain an appraisal report from a professional appraiser or an opinion from an accountant in accordance with Article 7 if the transaction amount reaches 10% or more of the Company's total assets. In determining whether the counterparty is a related party, in addition to paying attention to the legal form of the transaction, the Company shall also consider the actual relationship.</p> <p>2. Evaluation and handling process : omitted.</p> <p>The calculation of the transaction amount shall be in accordance with the provisions of Article 12, Paragraph 1 (7). In addition, the said one-year period is based on the date of issuance of the transaction and is projected one year backward, and the part that has been submitted to the Audit Committee and the Board of Directors for <u>recognition</u> in</p>	<p>The second paragraph of the existing Article 2 is moved to paragraph 6.</p>

Amended provisions	Original Article	Reason of amendment
<p>With respect to the types of transactions listed below, when to be conducted between the company, 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 pursuant to the procedure the 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"> 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. <p>The Company shall give due consideration to the opinions of the independent directors when presenting to the board of directors for discussion in accordance with the preceding paragraph, and any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the Board of Directors' meeting.</p> <p><u>In the event that the Company or a subsidiary of the Company that is not a domestic public company enters into a second transaction in which the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in the second paragraph to the</u></p>	<p>accordance with the provisions of this procedure need not be counted.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company, 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 pursuant to the procedure the 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"> 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. <p><u>If the Company has independent directors</u>, the opinions of the independent directors shall be fully considered when they are presented to the board of directors for discussion in accordance with the preceding paragraph, and any opposing views or reservations of the independent directors shall be recorded in the minutes of the Board of Directors' meeting.</p>	<p>If the Company or a subsidiary of the Company that is not a domestic public company acquires or disposes of assets from a related party and the transaction amount reaches 10%</p>

Amended provisions	Original Article	Reason of amendment
<p><u>shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between the Company and the Company's parent company or subsidiary, or between the Company's subsidiaries, are not subject to this limitation.</u></p> <p>The calculation of the transaction amount shall be in accordance with the provisions of Article 12, Paragraph 1 (7). In addition, the said one-year period shall be based on the date of issuance of the transaction and shall be projected one year in advance, and the part that has been submitted to <u>the shareholders' meeting</u>, the Audit Committee and the Board of Directors for approval in accordance with the provisions of this procedure shall not be counted.</p> <p>3. omitted.</p> <p>4. The professional appraiser of an appraisal report obtained by the Company or an opinion of an accountant, attorney or securities underwriter, and its appraisers, accountants, attorneys or securities underwriters shall comply with the following requirements : (1)~(3) : omitted.</p> <p>When issuing appraisal reports or opinions, <u>the foregoing officers shall comply with the self-regulatory rules of their respective trade associations</u> and the following matters. : (1)Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2) When <u>executing</u> a case, they shall appropriately plan and</p>	<p>3. omitted.</p> <p>4. The professional appraiser of an appraisal report obtained by the Company or an opinion of an accountant, attorney or securities underwriter, and its appraisers, accountants, attorneys or securities underwriters shall comply with the following requirements : (1)~(3) : omitted.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: (1)Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2)When <u>examining</u> a case, they shall appropriately plan and</p>	<p>or more of the Company's total assets, the Company shall submit the relevant information to the shareholders' meeting for approval before doing so in order to protect the shareholders' rights and interests, except that transactions between the Company and the Company's parent company or subsidiary, or between the Company's subsidiaries, are exempted from the shareholders' meeting resolution.</p> <p>We have revised the wording to reflect the fact that each industry association to which the external expert belongs has established relevant regulations for the business he or she performs. The external expert's undertaking and</p>

Amended provisions	Original Article	Reason of amendment
<p>execute adequate operation procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related operation procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>Appropriateness</u> 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.</p> <p>(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 <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>execute adequate operation procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related operation procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> 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.</p> <p>(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 reasonable <u>and accurate,</u> and that they have complied with applicable laws and regulations.</p>	<p>execution of the issuance of valuation reports or reasonableness opinions in accordance with the regulations does not refer to the verification of financial reports, and the wording has been revised to conform to the expert's actual evaluation of the sources and parameters used.</p>
<p>Article 12 : Announcements and Declarations</p> <p>1. If the Company or the Company's subsidiary acquires or disposes of the following assets, the Company shall make a public announcement and file the necessary report(s) in the format prescribed by the FSC within two days from occurrence of the relevant event:</p> <p>(1)~(5) : omitted.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by a financial institution, or an</p>	<p>Article 12 : Announcements and Declarations</p> <p>1. If the Company or the Company's subsidiary acquires or disposes of the following assets, the Company shall make a public announcement and file the necessary report(s) in the format prescribed by the FSC within two days from occurrence of the relevant event:</p> <p>(1)~(5) : omitted.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by a financial institution, or an</p>	

Amended provisions	Original Article	Reason of amendment
<p>investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances.</p> <p>(i) Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than the sovereign rating of our country.</u></p> <p>(ii) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription <u>for foreign government bonds</u> of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of index investment securities,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic</p>	<p>investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances.</p> <p>(i) Trading of domestic government bonds.</p> <p>(ii) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic</p>	<p>The competent authorities have relaxed the disclosure of information on certain transactions.</p>

Amended provisions	Original Article	Reason of amendment
securities investment trust enterprises. (7) : omitted. 2~5 : omitted.	securities investment trust enterprises. (7) : omitted. 2~5 : omitted.	
Article 17 : Additional Provisions Matters not provided for in this Handling Procedures shall be governed by the applicable laws regulations. This articles of incorporation is established on April 15, 1996. The 1st amendment on April 18, 2001, The 2nd amendment on June 30, 2003, The 3rd amendment on June 26, 2007, The 4th amendment on June 26, 2014, The 5th amendment on May 26, 2015, The 6th amendment on May 25, 2017, The 7th amendment on May 24, 2019, <u>The 8th amendment on May 27, 2022.</u>	Article 17 : Additional Provisions Matters not provided for in this Handling Procedures shall be governed by the applicable laws regulations. This articles of incorporation is established on April 15, 1996. The 1st amendment on April 18, 2001, The 2nd amendment on June 30, 2003, The 3rd amendment on June 26, 2007, The 4th amendment on June 26, 2014, The 5th amendment on May 26, 2015, The 6th amendment on May 25, 2017, The 7th amendment on May 24, 2019,	Add the eighth amendment date and modify the words.

Comparison table for the Handling Procedures for Conducting Derivative
Transactions before and after amendment

Amended provisions	Original Article	Reason of amendment
<p>Article 3 : Trading principles and strategies 1~6 : omitted. 7.performance evaluation The performance of the operations is evaluated and reviewed on a weekly basis using market prices and reported to <u>the senior management authorized by the Board of Directors</u> on a monthly basis to review and improve the hedging strategies used.</p>	<p>Article 3 : Trading principles and strategies 1~6 : omitted. 7.performance evaluation The performance of the operations is evaluated and reviewed on a weekly basis using market prices and reported to the <u>Chairman and President</u> on a monthly basis to review and improve the hedging strategies used.</p>	<p>To match the actual operation of the company.</p>
<p>Article 7 : Internal audit system. 1~2 : omitted. 3. Regular evaluation methods and the handling of irregular circumstances. (1)The senior management of the financial unit authorized by the board of directors should always pay attention to the supervision and control of the risk of derivative transactions. (2)~(3) : omitted.</p>	<p>Article 7 : Internal audit system. 1~2 : omitted. 3. Regular evaluation methods and the handling of irregular circumstances. (1)The <u>vice president and</u> senior management of the financial unit authorized by the board of directors should always pay attention to the supervision and control of the risk of derivative transactions. (2)~(3) : omitted.</p>	<p>Same as Article 3 with words amended as appropriate.</p>
<p>Article 9 : Additional Provisions Matters not provided for in this Handling Procedures shall be governed by the applicable laws regulations. This articles of incorporation is established on April 18, 2001. The 1st amendment on June 30, 2003, The 2nd amendment on June 26, 2007, The 3rd amendment on June 26, 2014, The 4th amendment on May 26, 2015, <u>The 5th amendment on May 27, 2022.</u></p>	<p>Article 9 : Additional Provisions Matters not provided for in this Handling Procedures shall be governed by the applicable laws regulations. This articles of incorporation is established on April 18, 2001. The 1st amendment on June 30, 2003, The 2nd amendment on June 26, 2007, The 3rd amendment on June 26, 2014, The 4th amendment on May 26, 2015 .</p>	<p>Add the fifth amendment date</p>

Comparison table for the Rules of Procedures for Shareholders' Meeting before and after the amendment

Amended provisions	Original Article	Reason of amendment
<p>Article 3 : Convening shareholders' meetings and shareholders meeting notices 1~3 : omitted.</p> <p>4. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, <u>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</u>, 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 and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out <u>and the essential contents explained</u> in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>5. A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no</p>	<p>Article 3 : Convening shareholders' meetings and shareholders meeting notices 1~3 : omitted.</p> <p>4. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, 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 and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>5. A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no</p>	<p>To conform to the amendment of Article 172(5) of the Company Act, the fourth item is amended.</p> <p>Modify the words</p>

Amended provisions	Original Article	Reason of amendment
<p>proposal containing more than one item will be included in the meeting agenda. In addition, 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.</p> <p>6~8 : omitted.</p>	<p>proposal containing more than one item will be included in the meeting agenda. In addition, 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.</p> <p>6~8 : omitted.</p>	
<p>Article 19 : <u>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.</u></p> <p>The procedure was approved on June 17, 1998. The 1st amendment was made on June 26, 2014. The 2nd amendment was made on May 26, 2015. <u>The 3rd amendment on May 27, 2022.</u></p>	<p>Article 19 :</p> <p>The procedure was approved on June 17, 1998. The 1st amendment was made on June 26, 2014. The 2nd amendment was made on May 26, 2015.</p>	<p>Add the third amendment date and modify the words.</p>

The list of release the prohibition on directors from
participation in competitive business

Name	Company Name	Job Title
Mike Yang	Phoenix Battery Corp.	Chairman and President
Ming-Cheng Liang	ACTi Corporation	Independent Director
An Grace Investment Corporation Ltd.	Be Biomed Management Consulting Co., Ltd. Panan VC Co., Ltd. Arise Corporation Colordia Tech Corp. Yobon Technologies, Inc. Phoenix Battery Corp. Litefilm Technology Co.,Ltd. Iweecare Co., Ltd. Alfaplus Semiconductor Inc.	Director
	BE New Biotech Venture Capital Co., Ltd.	Supervisor
An Grace Investment Corporation Ltd. Representative: Ji-Ceng Ma	SmartDisplayer Technology Co., Ltd. Phoenix Battery Corp.	Independent Director Director

**Articles of Incorporation
of
Phoenix Silicon International Corporation
(Before the amendments)**

Section I - General Provisions

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 昇陽國際半導體股份有限公司 in the Chinese language, and Phoenix Silicon International Corporation in the English language.
- Article 2 The scope of business of the Corporation shall be as follows :
1. CC01080 Electronic Parts and Components Manufacturing
 2. CC01090 Batteries Manufacturing
 3. J101030 Waste removal industry
 4. F401010 International trade
 - (1) Researching, developing, manufacturing and sale of the following products :
Reclaim wafer, test wafer, product wafer, solar cell, energy storage lithium battery (Manufacturing and sales are limited to operations outside Hsinchu Science Park).
 - (2) Concurrently engaged in import and export trade related to the company's business.
- Article 3 The company has a head office in the Hsinchu Science and Technology Park. When necessary, it can set up branches at home and abroad after a resolution of the board of directors.
- Article 4 Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations of the Republic of China.
- Article 5 The Corporation may provide endorsement and guarantee and act as a guarantor.

Article 5-1 The company may invest in other businesses for business needs and the total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in Article 13 of the Company Law.

Section II - Capital Stock

Article 6 The total capital stock of the Corporation shall be in the amount of 4,000,000,000 New Taiwan Dollars, divided into 400,000,000 shares, at 10 New Taiwan Dollars each, and authorized board paid-up in installments.

A total of 400,000,000 New Taiwan Dollars among the above total capital stock should be reserved for issuing employee stock options, 40,000,000 shares in total, at 10 New Taiwan Dollars each, and authorized board paid-up in installments.

Article 7 The company's stocks are all registered, signed or stamped by the directors representing the company, and issued after obtaining a visa according to law. The shares issued by the company may be exempted from printing stocks, but the registration of the securities centralized custodian institution should be consulted .

Article 8 All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Article 9 Registration for transfer of shares shall handle in accordance with Article 165 of the Company Law.

Section III –Shareholders meeting

Article 10 Shareholders' meetings of the Corporation are of two types, namely:

- (1) regular meetings
- (2) special meetings

Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws.

Article 11 The convening of a shareholders' meeting shall be handled in accordance with Article 172 of the Company Law. Notice of the shareholders' meeting can be made electronically with the consent of the counterpart.

Article 12 Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 13 Each share of stock shall be entitled to one vote, but shareholders who has no voting right and under restrictions consistent with the circumstances set forth in Company Act and related regulations should follow the rules.

Article 14 A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney expressly bearing the scope of the authorized power to appoint a proxy to attend the meeting on behalf.

Article 15 The shareholders' meeting shall be convened by the board of directors. The chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, pursuant to Article 208 of the Company Act, the shareholders' meeting shall be convened by others who have the right to convene a meeting and he or she shall

be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.

Article 16 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. The proceedings are produced and distributed electronically. After the company's shares were publicly issued, the proceedings are distributed in a public announcement.

Section IV - Directors and Audit Committee

Article 17 The Corporation shall have 5 to 11 Directors. Appointed by shareholders with capacity. Directors have a term of three years. The election of directors adopts the candidate nomination system, and the shareholders' meeting selects from the list of candidates, and re-election may be re-elected.

Among the number of directors in the preceding paragraph, there must be no less than three independent directors and no less than one-fifth of the number of directors. The method of nomination for director candidates shall be handled in accordance with Article 192 of the Company Law.

The company has established an "audit committee" in accordance with Article 14-4 of the Securities Exchange Act, which is composed of all independent directors and is responsible for implementing the supervisory powers of the Company Act, the Securities Exchange Act and other laws and regulations.

Article 18 The resolutions of the board of directors shall be attended by more than half of the directors, and the consent of more than half of the directors shall be implemented unless otherwise provided in the company law.

Article 19 The Directors shall elect from among themselves a Chairman of the Board of Directors and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman shall not have a second or casting vote at any meeting of the Board of Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation.

- Article 20 Convene a board of directors in accordance with Article 203 of the Company Law. The convening notice of the board of directors shall be handled in accordance with the provisions of Article 204 of the Company Law, must be called at any time in case of emergency. The convening notice of the board of directors can be made in writing or email.
- Article 21 If the Chairperson takes leave or is unavailable to perform his/her duties, the proxy method shall be in accordance with the Article 208 of Company Act.
- Article 22 Any director who is unable to attend a Board of Directors' meeting shall appoint another director as his proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director. The directors' participation in the meeting by video is deemed to be attended in person.
- Article 23 Directors shall exercise their functions and powers in accordance with resolutions adopted by the board of directors and the shareholders' meeting. The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.
- Article 24 In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.
- Article 25 The Board of Directors is authorized to determine the salary for the Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.
- Article 26 The Board of Directors shall set up functional committees. The Committee members' qualifications, duties and related matters shall be in accordance with the

related laws and regulations.

Section V - Management of the Corporation

Article 27 The Company shall have several managers whose appointment, discharge and remuneration shall be in accordance with the Company Act. The general manager shall be responsible for the overall business and operations of the company and submit a report to the board of directors in accordance with the company's policies.

Article 28 Subject to the provisions of the Company Law of the Republic of China and these Articles of Incorporation, all actions of the Corporation's employees shall be in conformance with, and in furtherance of, the directions of the Board of Directors.

Section VI - Financial Reports

Article 29 December 31 of the same year. 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 Appropriation of Earnings or Covering of Losses

Article 30 If there is a surplus in the annual final accounts, it should first make up for the losses, pay taxes, and deposit 10% as the statutory surplus reserve. However, the statutory surplus reserve is not included in the total capital. The Company shall provide or revolve special surplus reserves as needed. The balance plus the previously undistributed surplus is the distributable surplus. Depending on the Company's operating conditions, the Board of Directors shall make the shareholder's dividend and dividend distribution proposal and submit the proposal to the shareholders' meeting for resolution.

If the company distributes dividends and bonuses or statutory surplus reserve and capital reserve, if it is paid in cash, the board of directors is authorized to attend with more than two-thirds of the directors, and more than half of the

directors present agree to do so, and report to the shareholders meeting. The provisions of the preceding paragraph shall be subject to the resolution of the shareholders meeting.

When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders and the principles of stability and balance in the distribution of dividends. Each year it will set aside as shareholder dividends an amount of not less than 10% of the earnings available for distribution. Dividends to shareholders may be distributed in cash or shares, but in any event the amount of cash dividends may not be less than 50 % of the total dividends.

Article 30-1 The Company makes a profit, it will pay 10%~15% of the employee's compensation and 2% as remuneration for directors according to the profit status of the current year.

The employee compensation could either be distributed via share or cash, entitled employees include subsidiaries' employees who meet the conditions.

The current year's profit situation referred to in the first item refers to the current year's pre-tax benefits minus the distribution of employee's compensation and directors' remuneration.

The employee's compensation and the directors' remuneration, shall be resolved with a consent of a majority of the directors present at a meeting attended by more than two thirds of the total directors and reported to the shareholder's meeting by the Board.

Section VII - Supplementary Provisions

Article 31 The internal organization of the Corporation and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 32 In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 33 This articles of incorporation is established on February 20, 1997. The 1st

amendment on December 2, 1997. The 2nd amendment on April 12, 2000. The 3rd amendment on May 30, 2001. The 4th amendment on June 19, 2002. The 5th amendment on June 27, 2006. The 6th amendment on June 26, 2007. The 7th amendment on June 30, 2008. The 8th amendment on June 24, 2009. The 9th amendment on June 27, 2012. The 10th amendment on June 26, 2013. The 11th amendment on June 26, 2014. The 12th amendment on May 26, 2015. The 13th amendment on June 29, 2016. The 14th amendment on May 25, 2017. The 15th amendment on Oct 26, 2021.

Phoenix Silicon International Corporation Rules of Procedure for Shareholders Meetings (Before the amendments)

Article 1 : Purpose

To establish a strong governance system and sound supervisory capabilities for this Corporation'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 : Range

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

Article 3 : Convening shareholders meetings and shareholders meeting notices

1. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
2. This Corporation 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) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services

agent designated thereby as well as being distributed on-site at the meeting place.

3. 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.
4. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, 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 and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
5. A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, 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.
6. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
7. 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 making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
8. Prior to the date for issuance of notice of a shareholders meeting, this Corporation 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 not included in the agenda.

Article 4 : Proxy to attend the meeting

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
2. 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 this Corporation before 5 days before 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.
3. After a proxy form has been delivered to this Corporation, 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 this Corporation before 2 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 : Principles determining the time and place of a shareholders meeting

The venue for a shareholders meeting shall be the premises of this Corporation, 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.

Article 6 : Preparation of documents such as the attendance book

1. This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
3. Shareholders and their proxies (collectively, "shareholders") shall attend

shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.

4. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. This Corporation 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.
6. 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.

Article 7 : The chair and non-voting participants of a shareholders meeting

1. 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 from among themselves one person to serve as chair.
2. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be 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.

3. 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.
4. 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.
5. This Corporation 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 : Documentation of a shareholders meeting by audio or video

1. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least 1 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.

Article 9 : Shareholders meeting

1. 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 plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 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.

3. 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 1 month.
4. 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 : Discussion of proposals

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. 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.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the 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.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary 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 and call for a vote.

Article 11 : Shareholder speech

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 : Calculation of voting shares and recusal system

1. Voting at a shareholders meeting shall be calculated based the number of shares.
2. 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.
3. 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 this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

4. 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.
5. 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 3 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 : Vote

1. 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.
2. When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation 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 extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before 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.

4. 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, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 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 by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the 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 and against and the number of abstentions, shall be entered into the MOPS.
6. 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.
7. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.
8. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 : Election of directors and supervisors

1. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.
2. 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 1 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 : Meeting minutes and signed

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the 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.
2. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
3. 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 results, and shall be retained for the duration of the existence of this Corporation.

Article 16 : Public disclosure

1. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
2. 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 GreTai Securities Market) regulations, this

Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 : Maintaining order at the meeting place

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
2. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
3. 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 this Corporation, the chair may prevent the shareholder from so doing.
4. 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 the shareholder from the meeting.

Article 18 : Recess and resumption of a shareholders meeting

1. When a meeting is in progress, the chair may announce a 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.
2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 : The procedure was approved on June 17, 1998. The 1st amendment was made on June 26, 2014. The 2nd amendment was made on May 26, 2015.

Effect upon Business Performance and Earnings Per Share of any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting

Item		Year	2022(forecast)
Beginning paid-in Capital(NT\$)			\$ 1,403,524,800
Dividend Distribution	Cash dividend per share(NT\$)		0.8 (NT\$) (Note1)
	Stock dividend per share for capital increase from retained earnings(Share)		—
	Stock dividend per share for capital increase from capital reserve(Share)		0.06(Per Share) (Note2)
Business Performance Variation	Operating profit		N/A (Note3)
	Year-on-year increase/decrease(%) of operating profit		
	Net profit after tax		
	Year-on-year increase / decrease (%) of net profit after tax		
	Earnings per share		
	Year-on-year increase / decrease of earnings per share		
	Average return over investment (annualized)		
Pro forma earnings per share and its P/E ratio	If cash dividend is distributed instead of capital increase from retained earnings	Pro forma earnings per share (NTD)	N/A (Note3)
		Pro forma average return over investment (annualized)	
	If no capital increase from capital reserve	Pro forma earnings per share (NTD)	
		Pro forma average return over investment (annualized)	
	If no capital reserve and cash dividend is distributed instead of capital increase from retained earnings	Pro forma earnings per share (NTD)	
		Pro forma average return over investment (annualized)	

Note 1 : The Company's 2021 cash dividends have been approved by the Board of Directors on April 14, 2022.

Note 2: Pending resolution by 2022 Annual General Shareholders' Meeting.

Note 3: The Company's financial forecast of 2022 is not publicly available and is therefore not applicable.

Phoenix Silicon International Corporation Shareholdings of All Directors

1. Total shares issued as of March 29, 2022: 140,352,480 common shares. The minimum numbers of shares required to be held by all directors is at least 8,421,148 shares.
2. The numbers of shares held by the directors individually as recorded as of the book closure date for that shareholders' meeting (2022/3/29) are shown as below table.

Title	Name	Current Shareholding (Shares)
Chairman	Mike Yang	1,183,343
Director	Tony Tsai	116,000
Director	Wen-Cheng Cheng	2,668,186
Director	Min Ho Shuen Investments Co., Ltd Representative : Yao-Zen Chang	1,926,571
Director	Ting Dong Liang Investment Co., Ltd. Representative : Shin-Chin Huang	1,018,660
Director	An Grace Investment Corporation Ltd. Representative : Ji-Ceng Ma	750,000
Independent Director	Ming-Cheng Liang	0
Independent Director	Guo-Chao Hong	0
Independent Director	Ling-Shih Meng	0
Total		7,662,760