

Stock Code : 8028



2024 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Date : 9:00 a.m., May 28, 2024

Venue : GIS HSP Convention Center- Edison /Hall

TABLE OF CONTENTS

1.	Meeting Procedure.....	1
2.	Meeting Agenda	2
	(1) Report Items	3
	(2) Acknowledged matters.....	5
	(3) Matters for Discussion	6
	(4) Elections	7
	(5) Other Proposals	8
	(6) Extemporaneous Motions.....	8
	(7) Adjournment	8
3.	Attachment	
	(1) Business Report	9
	(2) Audit Committee's Review Report.....	14
	(3) Directors' Remuneration Report.....	15
	(4) Independent Auditors' Report and 2023 Financial Statements	17
	(5) 2023 Earnings Distribution Proposal	28
	(6) Comparison table for the Articles of Incorporation before and after the amendment	29
	(7) List of Director Candidates	31
	(8) The list of release the prohibition on directors from participation in competitive business.....	35
4、	Appendix	
	(1) Articles of Incorporation (Before the amendments).....	36
	(2) Rules and Procedures of Shareholders' Meeting	44
	(3) Procedures for Election of Directors.....	56
	(4) Shareholdings of All Directors	61

Phoenix Silicon International Corporation

Procedure of 2024 Annual General Shareholders' Meeting

1. Call Meeting to Order
2. Chairman's report
3. Report Items
4. Acknowledged matters
5. Matters for Discussion
6. Elections
7. Other Proposals
8. Extemporaneous Motions
9. Adjournment

Phoenix Silicon International Corporation

2024 Annual General Shareholders' Meeting Agenda

Time : 9:00 a.m., May 28, 2024

Place : GIS HSP Convention Center- Edison /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) 2023 business report
 - (2) Audit Committee's review of the 2023 annual final accounting books and statements
 - (3) Report on 2023 employees' profit sharing and directors' compensation
 - (4) Report on 2023 cash dividend distribution
 - (5) Report on 2023 directors' remuneration
4. Acknowledged matters
 - (1) Acknowledgment of the 2023 Business Report and Financial Statements
 - (2) Acknowledgment of the 2023 Earnings Distribution
5. Matters for Discussion
 - (1) Amendment to the Articles of Incorporation
6. Elections

Election of Directors
7. Other Proposals
 - (1) Discussion to approve the lifting of non-competition restrictions for directors
8. Extemporaneous Motions
9. Adjournment

Report Items

(Proposed by the Board of Directors)

1. 2023 business report

Explanatory Notes :

The 2023 business report, please refer pages 9 to 13 of this handbook (Attachment 1).

(Proposed by the Board of Directors)

2. Audit Committee's review of the 2023 annual final accounting books and statements

Explanatory Notes :

The Audit Committee's review of the 2023 annual final accounting books and statements. please refer page 14 of this handbook (Attachment 2).

(Proposed by the Board of Directors)

3. Report on 2023 employees' and directors' remuneration

Explanatory Notes :

- (1) The Board of Directors approved 2023 employee's compensation is NT\$ 48,842,387 and directors' remuneration is NT\$8,140,397 on February 22, 2024. The employee's compensation and directors' remuneration are to be distributed in cash.
- (2) The aforesaid remuneration has been expensed in 2023, and the amount of its accounting expenses is not different from the amount approved by the board of directors.

(Proposed by the Board of Directors)

4. Report on 2023 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 has resolved in the board meeting held on April 16, 2024, to distribute cash dividends in the amount of NT\$241,679,246 at NT\$1.4 per share, and pursuant to Article 241 of the Company Act, capital surplus from the issuance of common stock in excess of par value was distributed in the amount of NT\$6,905,213 at NT\$0.4 per share.
- (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) The Chairman of the Board of Directors is hereby authorized to determine the ex-dividend date, release date, and other related matters of the cash distribution.
- (5) The distribution of earnings and cash from capital surplus in this instance will occur prior to the ex-dividend date. If factors such as the company's repurchase of its own shares, the transfer of treasury shares to employees, or the conversion of convertible bonds into shares affect the number of outstanding shares, resulting in a need for adjustments to the shareholder distribution ratio, the Chairman is authorized to make such adjustments.

(Proposed by the Board of Directors)

5. Report on 2023 Directors' Remuneration

Explanatory Notes :

The Company's compensation to directors is based on the Articles of Incorporation, the policies related to the payment of directors' compensation, the content and amount of individual compensation, and the relevance of the compensation to the results of performance evaluation. please refer page 15 to 16 of this handbook (Attachment 3).

Acknowledged matters

(Proposed by the Board of Directors)

1. Acknowledgment of the 2023 Business Report and Financial Statements

Explanatory Notes :

- (1) 2023 Financial Statements were audited by PwC Taiwan, Ms. Liu, Chien-Yu, and Mr. Xie, Zhi-Zheng. The aforementioned and FY 2023 business reports 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 13 and 17 to 27 of this handbook (Attachments 1 and 4).

Resolution:

(Proposed by the Board of Directors)

2. Acknowledgment of the 2023 Earnings Distribution

Explanatory Notes :

The 2023 Earning Distribution Statement have been approved by the board and the audit committee with review report, please refer page 28 of this handbook (Attachment 5).

Resolution:

Matters for Discussion

(Proposed by the Board of Directors)

1. Amendments to the Articles of Incorporation.

Explanatory Notes :

- (1) To accommodate the actual operational needs of the company, it is proposed to amend the business items of the Articles of Incorporation.
- (2) The comparison table for the Articles of Incorporation before and after the amendment, please refer page 29 of this handbook (Attachments 6).

Resolution:

Elections

(Proposed by the Board of Directors)

2. Election of Directors :

Explanatory Notes :

- (1) The term of the current directors will expire on July 4, 2024, with full re-election proposed at the 2024 Annul General Shareholder's Meeting.
- (2) According to the company's articles of association, nine directors were elected this time, including three independent directors, with a term of three years.
- (3) According to the Company's Articles of Association, the election of director is based on a candidate nomination system, and the shareholders' meeting shall elect the candidate from the list of candidates. For the list of Director candidates, please refer to page 31 to 34 of this meeting handbook (Attachment 7).
- (4) The new directors take office after the shareholders meeting, and the original directors are dismissed at the same time. The new directors (including independent directors) have a term of three years, from May 28, 2024 to May 27, 2027.
- (5) Procedures for Election of Directors', please refer to pages 56 to 60 of this meeting handbook (Appendix 3)

Voting Results :

Other Proposals

(Proposed by the Board of Directors)

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

Explanatory Notes :

- (1) According to Article 209 of the Company Law, A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) For the content of the new directors' competition, please refer to page 35 of this meeting handbook (Attachment 8).

Resolution:

Extemporary Motions

Adjournment

Business Report

Operation Performance

The year 2023 witnessed dramatic shifts in the global economic and political landscape. Factors such as high interest rates, inflation, and the post-pandemic economic performance of China led to weakened demand for end products globally. This, in turn, slowed down manufacturing activities across various countries. Additionally, the expansion of the US-China chip ban, the Russia-Ukraine conflict, and ongoing tensions in the Middle East, particularly in the conflict between Israel and Hamas, contributed to a global geopolitical trend towards bloc confrontation, exerting long-term impacts on global economic development trends.

Amidst these irreversible international trends, the global semiconductor market in 2023 experienced a sharper decline than expected. In the face of various challenges and negative impacts, Phoenix Silicon International Ltd. (Psi) not only focused on its core business but also continuously enhanced its two major core capabilities: high-purity wafer surface treatment and wafer thinning. The company swiftly adjusted its operational strategies to optimize the allocation of corporate resources and manpower. Thanks to the concerted efforts of all employees, annual revenue reached NT\$3.328 billion, marking a historic high for the third consecutive year with a year-on-year growth rate of 6.04%. However, due to adjustments in global semiconductor inventory and currency exchange rate factors, operating profit decreased by 25.51% compared to the previous year, amounting to NT\$229 million.

Financial Results

unit : K NTD, %

Item	2023	2022	YOY%
Revenue	3,327,700	3,138,053	6.04
Gross profit	756,516	831,790	(9.05)
Operation profit	229,421	307,991	(25.51)
Net profit before tax	350,037	372,659	(6.07)
Net Profit for the year	311,994	325,251	(4.08)
EPS(NTD)	2.02	2.17	(6.91)
ROA	4.12%	4.72%	(12.71)

In terms of Reclaim wafer, with the rapid development of AI artificial intelligence technology in 2023, the demand for high-speed computing has surged, leading to an increase in the demand for advanced processes. Consequently, the demand for Reclaim wafers in the market has significantly

increased in both quantity and quality. In order to meet the growing needs of customers, our newly established fully automated subsidiary, the Chung Kang Branch, has expanded its capacity to reach 120,000 wafers per month as planned. By the end of 2023, Psi's total production capacity for 12-inch Reclaim and Test wafer had reached 510,000 wafers per month.

Regarding Wafer thinning, the demand for overall wafer thinning remains at a low level due to market inventory clearance pressures and the price war in China affecting power semiconductor products. However, in the latter half of the year, driven by emerging applications such as AI artificial intelligence and energy conversion, we focused on high-value-added products and customer segments. We continued to cultivate innovative technologies and expanded into the 8-inch WBG silicon carbide/gallium nitride wafer thinning market and the 12-inch wafer thinning market, maintaining our technological leadership advantage in anticipation of economic recovery.

Technical Development

"Technological innovation" is fundamental to the operation of Psi. We actively recruit and retain key research and development talents. In 2023, we initiated industry-academic cooperation with National Taipei University and National Yang Ming Chiao Tung University Tainan Campus. This collaboration focused on the research and development of AI behavior detection and wafer surface defect detection technologies. These innovations have been successfully integrated into production, effectively enhancing our overall competitiveness.

On the front of smart manufacturing, we continuously refine our operational cost control and technological content. The world's first Lights-Out wafer reclaim factory, fully automated for smart manufacturing, achieved a production capacity of 120,000 wafers in May 2023, surpassing cost-effectiveness expectations. The second phase of capacity expansion is scheduled to be completed by the end of this year, aiming to achieve a monthly production capacity of 200,000 wafers.

In the wave of AI artificial intelligence, advanced processes and advanced packaging are playing increasingly important roles. They significantly increase the usage of new wafers, reclaimed wafers, and carrier wafers. In addition to maintaining a leading position in high-spec reclaimed wafers among peers, we are also developing custom carrier wafers for logic and memory 3D advanced packaging requirements, aiming to seize the initiative in this rapidly growing market. Furthermore, the demand for high-power ultra-thin MOSFETs required for AI servers and intelligent electric vehicles is rapidly increasing. We are collaborating with strategic customers to develop thinning technologies for 12-inch and WBG silicon carbide/gallium nitride wafers, expanding into new market applications.

In the field of Biochips, our collaboration with National Taiwan University College of Medicine and Taipei Mackay Memorial Hospital on the "multi-functional liquid protein detection platform" has completed preclinical trials. Its accuracy using serum, plasma, and other samples reaches 80% compared to traditional testing methods. This rapid and accurate detection platform aims to be used for clinical point-of-care testing and may serve as a guide for physician medication. Furthermore, we will integrate AI predictive models to enhance precision and effectiveness. Through Contract Development and Manufacturing Organization (CDMO) services, we aim to accelerate development and production services for our customers.

Corporate Social Responsibility

Psi adheres to the principles of "Promise, Sustainable, and Innovation" to achieve its vision of sustainable business through five key initiatives: corporate governance, environmental protection, supply chain management, friendly workplace, and social participation. In 2023, we published our first sustainability report to demonstrate sound corporate governance and address environmental and social issues. Low-carbon production is our goal. Despite a 13.8% increase in total production capacity compared to 2022, our total greenhouse gas emissions decreased by 6.4%, total electricity consumption decreased by 3.1%, total water consumption decreased by 3%, and waste reuse increased by 5%. We received a B grade recognition in the CDP climate change project. The ESG Executive Committee has set a target to increase total carbon reduction by 8% compared to 2023 for 2024.

To enhance a diverse and inclusive environment, we conduct annual employee satisfaction and engagement surveys and provide a transparent communication platform to respect employees' voices. Corporate well-being extends beyond our employees; we also give back to society by supporting vulnerable groups through partnerships with charitable organizations and donating supplies. To support education in remote areas, we donate refurbished laptops to schools, aiming to drive positive social change.

Sound corporate governance is our responsibility to all stakeholders. In 2023, we obtained LRQA ISO27001 information security management certification, affirming our company's protection level in information security management systems, enhancing corporate governance capabilities, and reducing operational risks. As a responsible global corporate citizen, Psi's efforts and performance have been recognized by the Hsinchu Science Park Bureau, National Science and Technology Council and the Taiwan Industry Technology Association, winning the 20th Taiwan Golden Root Award in the General Enterprise category.

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

The uncertainty brought about by geopolitical challenges, including the US semiconductor restrictions on China and global macroeconomic concerns such as inflation, interest rate hikes, and slowing GDP growth in some economies, particularly in the Chinese market, has been exacerbated by the ongoing conflict in Ukraine and recent tensions in the Middle East. These factors inevitably undermine market confidence and affect semiconductor end-market demand. On the supply side, China's overproduction due to sluggish domestic demand and resulting currency tightening exports will have severe negative impacts on the global economy, particularly in mature semiconductor processes, solar modules, LEDs, EV batteries, and traditional industries such as cement.

Overall, these situations may have adverse effects on global economic development. Governments worldwide are actively proposing solutions, such as strengthening subsidies or tariff barriers, to address these challenges. Otherwise, the time for global economic recovery may be prolonged, potentially impacting business performance. We need to closely monitor changes in the global situation and take appropriate measures to diversify operational risks, ensuring the company's steady and sustainable development in uncertain environments.

Outlook

In addition to continuous cost improvements, key investments and product development are crucial. We anticipate that this year's operating targets will be roughly equivalent to last year's. 2024 is a preparatory year for 2025 and 2026. We are optimistic about the strong market demand in the next two years for two reasons: Firstly, the long-term growth drivers in terminal markets such as Generative AI, energy transition, and electrification are leading to increasing semiconductor demand. With the expansion of application areas, advanced processed and advanced packaging play increasingly important roles, significantly increasing the usage of virgin wafers, reclaim wafers, and wafer thinning. Secondly, from the perspective of the semiconductor business cycle, we are currently in a downturn. Historical downturns typically last two to three years, and the current downturn began in the second half of 2022 but has gradually warmed up. Inventory in the electronic terminal market and semiconductor inventory continues to improve, and capacity utilization rates are gradually rising. 2025 and 2026 will be two years of strong demand.

Psi is rooted in Taiwan, with its production base primarily in the Hsinchu Science Park and gradually increasing capacity in the Chung Kang Branch. With the increasing demand from major overseas

customers and foreign customers, in addition to supplying from our Taiwan factory, Psi is actively evaluating overseas production bases. The aim is to achieve win-win results for Psi and its customers by focusing on smart factory manufacturing and green production. In terms of technological development, we will focus more on the AI field and related services, especially in advanced processes and advanced packaging applications, to maintain the most advanced technology and quality and provide customers with the most competitive services and value. °

In terms of sustainable development, we will further build on the 2023 sustainability report to establish TCFD and complete carbon footprint verification for the Chung Kang Branch based on ISO 14064-1. This will strengthen our corporate governance capabilities and enhance the long-term enterprise value, adhering to the core values of "Promise, Sustainable, Innovation". We will steadily operate sustainably to create good returns for shareholders, provide career growth for employees, and make significant contributions to social progress and the overall growth of the semiconductor supply chain. °

Chairman : Tony Tsai



President : Tony Tsai



Accounting Officer : Megan Yang



(Attachment 2)

Phoenix Silicon International Corporation

Audit Committee's Review Report

The Board of Directors has prepared the Company's Financial Statements, 2023 Business Report and proposal for distribution of 2023 earnings. Of which, the Financial Statements have been audited by Liu, Chien-Yu and Hsieh, Chih-Cheng, Certified Public Accountants of PricewaterhouseCoopers Taiwan. The Financial Statements, 2023 Business Report and proposal for distribution of 2023 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 16, 2024

Directors' Remuneration

(Attachment 3)

1.Remuneration Paid to Directors (Independent Directors included) (Excerpt from Pages 15 of the Annual Report)

December 31, 2023, Unit: NTD\$ thousand; %

Title (Note1)	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)	Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		Base Compensation (A)		Severance Pay and Pensions (B)		Bonus to Directors (C) (Note 2)		Allowances (D) (Note 3)													
		The company	From All Consolidate d Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	Profit Sharing- Employee Bonus (G) (Note 2)		The company	From All Consolidated Entities								
										Cash	Stock		Cash	Stock							
Chairman	Mike Yang	2,897	2,897	0	0	291	291	130	130	1.06	1.06	0	0	0	0	0	0	1.06	1.06	360	
	Tony Tsai	1,075	1,075	0	0	1,401	1,401	494	494	0.95	0.95	12,397	12,397	0	0	2,947	0	5.87	5.87	0	
Director	Wen-Cheng Cheng	0	0	0	0	1,401	1,401	78	78	0.47	0.47	0	0	0	0	0	0	0.47	0.47	0	
	Min Ho Shuen Investments Co., Ltd Representative : Yaw-Zen Chang	0	0	0	0	1,401	1,401	86	86	0.48	0.48	0	0	0	0	0	0	0.48	0.48	0	
	Ting Dong Liang Investment Co., Ltd Representative : Shin-Chin Huang	0	0	0	0	1,401	1,401	89	89	0.48	0.48	0	0	0	0	0	0	0.48	0.48	0	
	An Grace Investment Corporation Ltd. Representative : Ji-Zeng Ma	0	0	0	0	1,401	1,401	75	75	0.47	0.47	0	0	0	0	0	0	0.47	0.47	0	
	Gallant Precision Machining Co., Ltd. Representative : Frank Liang	0	0	0	0	844	844	26	26	0.28	0.28	0	0	0	0	0	0	0.28	0.28	0	
	Ming-Cheng Liang	720	720	0	0	0	0	193	193	0.29	0.29	0	0	0	0	0	0	0.29	0.29	0	
Independent Director	Guo-Chao Hong	720	720	0	0	0	0	158	158	0.28	0.28	0	0	0	0	0	0	0.28	0.28	0	
	Ling-Shi Meng	720	720	0	0	0	0	158	158	0.28	0.28	0	0	0	0	0	0	0.28	0.28	0	
1. Policies, systems, standards and structures of Independent Director remuneration paid and describe the relevance to the amount of remuneration according to responsibilities, risks, time invested, etc.: The remuneration structures of Independent Director was based on the management methods formulated by the company with monthly fixed remuneration, not participating in the annual distribution of director's remuneration. The monthly fixed remuneration is regularly reviewed by the remuneration committee for industry standards, if there is a change proposal, it is submitted to the board of directors for resolution.																					
2. Apart from above disclosure, compensation paid to directors who provide service in all companies in the consolidated financial statements (such as serving as a consultant for the parent company/all companies in the financial report/reinvested enterprises that are not employees, etc.) : NT\$0																					

1. Policies, systems, standards and structures of Independent Director remuneration paid and describe the relevance to the amount of remuneration according to responsibilities, risks, time invested, etc.: The remuneration structures of Independent Director was based on the management methods formulated by the company with monthly fixed remuneration, not participating in the annual distribution of director's remuneration. The monthly fixed remuneration is regularly reviewed by the remuneration committee for industry standards, if there is a change proposal, it is submitted to the board of directors for resolution.

2. Apart from above disclosure, compensation paid to directors who provide service in all companies in the consolidated financial statements (such as serving as a consultant for the parent company/all companies in the financial report/reinvested enterprises that are not employees, etc.) : NT\$0

Note 1: On February 8, 2023, Mike Yang resigned from the positions of Chairman and Director. On the same day, the Board of Directors elected Tony Tsai as the Chairman. The company held Shareholders' General Meeting on May 26, 2023, to elect directors, and Frank Liang, representing Gallant Precision Machining Co., Ltd., was elected.

Note 2: Director's remuneration and employee's remuneration for 2022 were approved by the board of directors on February 22, 2024.

Note 3: The operating expenses for business execution include expenses for transportation, vehicle maintenance, and various allowances.

Note 4: The expense includes various bonuses, salaries related to participation in cash capital increases and subscription for shares, as well as various allowances provided by the company.

2. Compensation Policy (Excerpt from Pages 18 to 19 of the Annual Report)

- (1) The regulations regarding the payment of directors' remuneration in the Company are as follows:

In accordance with Article 30-1 of the Company's Articles of Incorporation, when the Company has accumulated losses, they shall be compensated for first, and apart from this, the directors' remuneration shall not exceed 2% of the profits of the current year. The distribution of directors' remuneration shall be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the consent of the majority of the attending directors, and shall be reported to the shareholders' meeting.

- (2) The standard for the payment of directors' remuneration in this Company is governed by the "Regulations on Directors' Remuneration and Distribution of Compensation". The Chairman and independent directors receive fixed salaries monthly, and additionally receive attendance fees and transportation expenses for each meeting attended, based on the number of meetings held at the same location. Independent directors do not receive additional remuneration. Individual remuneration for general directors is determined by the Compensation Committee, considering the level of involvement in company operations (providing core operational recommendations, etc.), contributions, responsibilities for financial planning scope, and assuming the role of chairman. The total amount approved by the Board of Directors is reviewed based on weight distribution and discussed by the Compensation Committee for submission to the Board of Directors for resolution.
- (3) This Company handles the distribution of directors' remuneration in accordance with the "Articles of Incorporation" and the "Regulations on Directors' Remuneration and Distribution of Compensation". The Compensation Committee evaluates and reviews the salary situation regularly each year, taking into account individual performance achievement rates and contributions to the Company, as well as considering the overall operational performance, future industry risks, and timely review of the compensation system in light of actual operational conditions and relevant laws and regulations, to provide reasonable compensation in balance with the Company's sustainable operation and risk management.
- (4) The remuneration disbursed to directors of the company in 2023 was all subject to review and resolution by the Compensation Committee prior to being presented for approval at the Board of Directors' meetings.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23003533

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

Opinion

We have audited the accompanying balance sheets of Phoenix Silicon International Corporation and subsidiaries (the "Company") as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 Company's 2023 financial statements. These matters were addressed in the context of our audit of the 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 Company's 2023 financial statements are stated as follows:

Accuracy of revenue recognition

Description

Please refer to Note 4(30) for accounting policies on revenue recognition and Note 6(22) for details of operating revenue account.

The Company is primarily engaged in the professional processing of semiconductor wafer, such as reclaiming, thinning and other services. Service revenue was derived from the transfer of services over time and satisfied performance obligation. The Company measured the completion degree of performance obligation based on 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 that 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(15) 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 reclaiming, thinning and other services. In order to continuously develop advanced technical capacity to satisfy customers' demand, the Company 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 accurate.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Phoenix Silicon International Corporation as at and for the years ended December 31, 2023 and 2022.

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 22, 2024

The accompanying 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 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
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,551,126	17	\$	1,070,340	13
1110	Current financial assets at fair value through profit or loss	6(2)		1,321	-		-	
1140	Current contract assets	6(22)		497,682	6		266,439	3
1150	Notes receivable, net	6(4)		-	-		86	-
1170	Accounts receivable, net	6(4)		379,363	4		414,091	5
1200	Other receivables			3,005	-		26,034	-
1210	Other receivables due from related parties	7		-	-		16	-
130X	Inventories	6(5)		211,588	2		258,799	3
1410	Prepayments			19,259	-		14,201	-
1460	Non-current assets or disposal groups classified as held for sale, net	6(11)		102,822	1		-	-
1470	Other current assets			2,253	-		1,136	-
11XX	Current Assets			2,768,419	30		2,051,142	24
Non-current assets								
1535	Non-current financial assets at amortised cost	6(3) and 9		13,555	-		13,055	-
1550	Investments accounted for using equity method	6(6)		-	-		82,341	1
1600	Property, plant and equipment	6(7) and 9		5,849,745	64		5,611,342	65
1755	Right-of-use assets	6(8)		325,694	4		336,331	4
1780	Intangible assets			30,468	-		22,687	-
1840	Deferred income tax assets	6(29)		27,568	-		26,162	1
1900	Other non-current assets	6(10)		168,553	2		455,894	5
15XX	Non-current assets			6,415,583	70		6,547,812	76
1XXX	Total assets		\$	9,184,002	100	\$	8,598,954	100

(Continued)

PHOENIX SILICON INTERNATIONAL CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(22)	\$ 79	-	\$ 140	-
2170	Accounts payable		139,525	2	234,513	3
2200	Other payables	6(13)	368,542	4	465,019	5
2220	Other payables to related parties	6(13) and 7	-	-	1,253	
2230	Current income tax liabilities		25,011	-	34,307	-
2280	Current lease liabilities		14,251	-	14,881	-
2320	Long-term liabilities, current portion	6(15) and 9	619,925	7	503,910	6
2399	Other current liabilities, others	7	166	-	367	-
21XX	Current Liabilities		1,167,499	13	1,254,390	14
Non-current liabilities						
2540	Long-term borrowings	6(15) and 9	3,722,784	41	3,985,557	47
2550	Provisions for liabilities - non-current	6(17)	21,472	-	17,417	-
2570	Deferred tax liabilities	6(29)	1,278	-	-	-
2580	Non-current lease liabilities		310,883	3	324,604	4
2600	Other non-current liabilities		24,652	-	25,678	-
25XX	Non-current liabilities		4,081,069	44	4,353,256	51
2XXX	Total Liabilities		5,248,568	57	5,607,646	65
Equity						
	Share capital	6(19)				
3110	Share capital - common stock		1,726,280	19	1,526,280	18
	Capital surplus	6(20)				
3200	Capital surplus		1,449,236	16	744,225	8
	Retained earnings	6(21)				
3310	Legal reserve		197,755	2	164,774	2
3350	Unappropriated retained earnings		562,163	6	556,029	7
3XXX	Total equity		3,935,434	43	2,991,308	35
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
	Significant Events After the Balance Sheet Date	11				
3X2X	Total liabilities and equity		\$ 9,184,002	100	\$ 8,598,954	100

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

PHOENIX SILICON INTERNATIONAL CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22)	\$ 3,327,700	100	\$ 3,138,053	100
5000	Operating costs	6(5)(27)(28)	(2,571,184)	(77)	(2,306,263)	(73)
5950	Gross profit from operating		756,516	23	831,790	27
	Operating expenses	6(27)(28)				
6100	Selling expenses		(42,712)	(1)	(40,262)	(1)
6200	Administrative expenses		(355,435)	(11)	(340,213)	(11)
6300	Research and development expenses		(128,948)	(4)	(143,324)	(5)
6000	Total operating expenses		(527,095)	(16)	(523,799)	(17)
6900	Operating profit		229,421	7	307,991	10
	Non-operating income and expenses					
7100	Interest income	6(23) and 7	8,621	-	2,939	-
7010	Other income	6(24) and 7	7,968	-	9,355	-
7020	Other gains and losses	6(6)(25)	168,783	5	106,800	4
7050	Finance costs	6(26)	(61,341)	(2)	(30,626)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(6)	(3,415)	-	(23,800)	(1)
7000	Total non-operating income and expenses		120,616	3	64,668	2
7900	Profit before income tax		350,037	10	372,659	12
7950	Income tax expense	6(29)	(38,043)	(1)	(47,408)	(1)
8200	Profit for the year		\$ 311,994	9	\$ 325,251	11
8311	Gain on remeasurements of defined benefit plan	6(16)	\$ 2,314	-	\$ 5,701	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(463)	-	(1,140)	-
8300	Total other comprehensive income for the year		\$ 1,851	-	\$ 4,561	-
8500	Total comprehensive income for the year		\$ 313,845	9	\$ 329,812	11
	Basic earnings per share	6(30)				
9750	Total basic earnings per share		\$ 2.02		\$ 2.17	
	Diluted earnings per share	6(30)				
9850	Total diluted earnings per share		\$ 2.00		\$ 2.06	

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

PHOENIX SILICON INTERNATIONAL CORPORATION

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus, additional paid- in capital	Retained earnings		Total equity
				Legal reserve	Unappropriated retained earnings	
Year 2022						
Balance at January 1, 2022		\$ 1,403,525	\$ 610,258	\$ 141,374	\$ 361,899	\$ 2,517,056
Profit for the year		-	-	-	325,251	325,251
Other comprehensive income for the year		-	-	-	4,561	4,561
Total comprehensive income		-	-	-	329,812	329,812
Distribution of 2021 earnings:						
Legal reserve	6(21)	-	-	-	-	-
Cash dividends		-	-	23,400	(23,400)	-
Stock dividends from capital surplus		84,211	(84,211)	-	(112,282)	(112,282)
Conversion of convertible bonds		38,544	208,709	-	-	-
Changes in equity of associate accounted for using equity method		-	9,469	-	-	9,469
Balance at December 31, 2022	6(20)	\$ 1,526,280	\$ 744,225	\$ 164,774	\$ 556,029	\$ 2,991,308
Year 2023						
Balance at January 1, 2023		\$ 1,526,280	\$ 744,225	\$ 164,774	\$ 556,029	\$ 2,991,308
Profit for the year		-	-	-	311,994	311,994
Other comprehensive income for the year		-	-	-	1,851	1,851
Total comprehensive income		-	-	-	313,845	313,845
Distribution of 2022 earnings:						
Legal reserve	6(21)	-	-	-	-	-
Cash dividends		-	-	32,981	(32,981)	-
Changes in equity of associate accounted for using equity method	6(6)(20)	-	102	-	-	102
Loss of significant influence over investments accounted for using equity method	6(6)(20)	-	(9,571)	-	-	(9,571)
Cash capital increase	6(19)	200,000	700,000	-	-	900,000
Share-based payments	6(18)(20)	-	14,480	-	-	14,480
Balance at December 31, 2023		\$ 1,726,280	\$ 1,449,236	\$ 197,755	\$ 562,163	\$ 3,935,434

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

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 350,037	\$ 372,659
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	798,281	587,136
Amortization	6(27)	14,871	15,880
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(25)	(137,416)	3,127
Interest expense	6(26)	61,341	30,626
Interest income	6(23)	(8,621)	(2,939)
Share of loss of associates accounted for using equity method	6(6)	3,415	23,800
Gain on disposals of property, plant and equipment	6(25)	(229)	(5,740)
Gain on disposal of investments	6(6)(25)	(29,605)	(61,467)
Share-based payment	6(18)	14,480	-
Profit from lease modification		(5)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial asset at fair value through profit or loss, mandatorily measured at fair value		2,495	(1,061)
Contract assets		(231,243)	(188,848)
Notes receivable		86	99
Accounts receivable		34,728	48,859
Accounts receivable due from related parties		-	331
Other receivables		23,108	(23,242)
Other receivables due from related parties		-	(16)
Inventories		47,211	(93,140)
Prepayments		(5,058)	2,309
Other current assets		(1,405)	1,578
Other non-current assets		(442)	(271)
Changes in operating liabilities			
Financial liabilities held for trading		(8,444)	-
Contract liabilities		(61)	(17)
Accounts payable		(94,988)	81,072
Other payables		(56,338)	53,627
Other payables to related parties		-	(5)
Other current liabilities		(202)	(1,494)
Net defined benefit liability		(1,484)	(1,225)
Long-term payables		2,380	(774)
Cash inflow generated from operations		776,892	840,864
Interest received		8,559	2,880
Interest paid		(51,336)	(20,523)
Income taxes paid		(47,466)	(23,003)
Net cash flows from operating activities		686,649	800,218

(Continued)

PHOENIX SILICON INTERNATIONAL CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through profit or loss		\$ 241,106	\$ 15,683
Acquisition of financial assets at amortized cost		(500)	(9,432)
Proceeds from disposal of financial assets at amortized cost		-	8,794
Proceeds from disposal of investments accounted for using equity method	6(6)	-	90,298
Acquisition of property, plant and equipment	6(31)	(890,863)	(2,601,324)
Capitalisation of interest paid	6(7)(31)	(23,546)	(25,162)
Proceeds from disposal of property, plant and equipment		14,192	8,839
Acquisition of intangible assets	6(31)	(9,527)	(11,878)
Increase in refundable deposits		(1,756)	(43,487)
Decrease in refundable deposits		2,044	42,279
Net cash flows used in investing activities		(668,850)	(2,525,390)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Redemption of convertible bonds	6(32)	-	(753,926)
Increase in long-term borrowings	6(32)	400,000	3,068,910
Repayment of long-term borrowings	6(32)	(547,760)	(475,622)
Increase in guarantee deposits received	6(32)	162	396
Decrease in guarantee deposits received	6(32)	(231)	(338)
Repayment of principal portion of lease liabilities	6(32)	(14,454)	(13,625)
Cash dividends paid	6(21)	(274,730)	(112,282)
Proceeds from issuing shares	6(19)	900,000	-
Net cash flows from financing activities		462,987	1,713,513
Net increase (decrease) in cash and cash equivalents		480,786	(11,659)
Cash and cash equivalents at beginning of year	6(1)	1,070,340	1,081,999
Cash and cash equivalents at end of year	6(1)	\$ 1,551,126	\$ 1,070,340

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

Phoenix Silicon International Corporation Earnings Allocation Table Year 2023	
	Unit: NT\$
Accumulated un-appropriated earnings at the beginning of the period	248,317,62
The adjustments of cumulative actuarial gains and losses to Retained Earnings	1,851,680
Add: 2023 Net Profit	311,993,890
Minus: Appropriated as legal reserve	(31,384,557)
Earnings available for appropriation	530,778,640
Cash dividends to common shareholders (Per share cash dividend distribution NT\$1.4)	(241,679,246)
Unappropriated retained earnings	289,099,394

Note: According to the Ministry of Finance letter No. 871941343, dated April 30, 2008, the principle of distributing the Company's earnings is to distribute the 2023 year's earnings first. If there is a shortfall, it will be distributed in the order of first-in, first-out, in the year in which the surplus is generated.

Chairperson : Tony Tsai



President : Tony Tsai



Accounting Officer : Megan Yang



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

Amended provisions	Original Article	Reason of amendment
<p>Article 2</p> <p>The scope of business of the Corporation shall be as follows :</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Parts and Components Manufacturing <u>2. J101030 Waste removal industry</u> <u>3. F401010 International trade</u> <u>4. C801990 Other Chemical Materials Manufacturing</u> <u>5. C802990 Other Chemical Products Manufacturing</u> (1) Researching, developing, manufacturing and sale of the following products : Reclaim wafer, test wafer, product wafer. (2) Concurrently engaged in import and export trade related to the <u>above products.</u> 	<p>Article 2</p> <p>The scope of business of the Corporation shall be as follows :</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Parts and Components Manufacturing <u>2. CC01090 Batteries Manufacturing</u> 3. J101030 Waste removal industry 4. F401010 International trade <ol style="list-style-type: none"> (1) Researching, developing, manufacturing and sale of the following products : Reclaim wafer, test wafer, product wafer, <u>solar cell, energy storage lithium battery (Manufacturing and sales are limited to operations outside Hsinchu Science Park).</u> (2) Concurrently engaged in import and export trade related to the <u>company's business.</u> 	<p>In line with the actual operational needs of the company, the Batteries Manufacturing industry is deleted, chemical products recycled from business activities and other industrial products are added, and the text is revised as appropriate.</p>
<p>Article 33</p> <p>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.</p>	<p>Article 33</p> <p>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.</p>	<p>Add the seventeenth amendment date.</p>

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. The 16th amendment on May 27, 2022. <u>The 17th amendment on May 28, 2024.</u>	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. The 16th amendment on May 27, 2022.	
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Phoenix Silicon International Corporation
List of Director Candidates

NO	Types of Nominee	Name	Shareholding (Note)	Education	Experience	Present position
1	Director	Liang, Ming-Cheng	600,000	-Master of International Business Managment, National Taiwan University. - Bachelor of Physics, National Cheng Kung University.	- President, King Yuan Electronics Co., Ltd - President, Amkor Technology Taiwan - Vice president, Micron Memory Taiwan Co., Ltd.	- Independent Director, Phoenix Silicon International Crop. - Chairman, Aptos Technology INC. - Independent Director, Xintec INC.
2	Director	Cheng, Wen-Cheng	2,828,277	- Bachelor of Animal and Husbandry, National Chung Hsing University.	- Director, Cheng Han Investment Co., Ltd. - Director, TeleSynergy Corp. Ltd. - Director, Phoenix Battery Corp.	- Director, Phoenix Silicon International Crop. - Director, Cheng Han Investment Co., Ltd. - Director, TeleSynergy Corp. Ltd.-
3	Director	Min Ho Shuen Investments Co., Ltd	2,256,245	-	-	- Director, Phoenix Silicon International Crop.
4	Director	Ting Dong Liang Investment Co., Ltd	1,742,972	-	-	- Director, Phoenix Silicon International Crop.

NO	Types of Nominee	Name	Shareholding (Note)	Education	Experience	Present position
5	Director	Frank Liang, Representative of Gallant Precision Machining Co., Ltd.,	8,286,461	<ul style="list-style-type: none"> - NCCU EMBA 40th - Master of Law, School of Law, Northwestern University. - Certificate in Business Admin., Kellogg School of Management, Northwestern University, University of Washington MBA. - Certificate in Business Administration – Kellogg School of Business, Northwestern University. 	<ul style="list-style-type: none"> - Chairman and Director, Gallant Micro. Machining CO., Ltd. - Special assistant to the Chairman and consultant, CSUN Mfg., Ltd. - Chairman, Huashun Technology Co. - Supervisor, ViewMove Technologies, Inc. - Chairman, Suzhou Top Creation Machines Co., Ltd. 	<ul style="list-style-type: none"> - Director, Phoenix Silicon International Corp. - Chairman and CEO, Gallant Micro. Machining CO., Ltd. - President, C SUN Mfg., Ltd. - Vice Chairman, Gallant Precision Machining Co., Ltd. - Director, Taiwan Printed Circuit Association - Supervisor, AmTrust Investment Consulting Corp. - Director, Utron Technologies CO., Ltd. - Chairman, Top Creation Machines Co., Ltd. - Chairman, Power Ever Enterprises Limited. - Director, Suzhou Top Creation Machines Co., Ltd. - Chairman, Good Team International Enterprise Limited - Director, Nantong Top Creation Machines Co., Ltd., - Independent Director, Control Technology Co., Ltd.

NO	Types of Nominee	Name	Shareholding (Note)	Education	Experience	Present position
6	Director	Liang, Chun-Wei, Representative of Acter Group Co., Ltd.	5,247,490	<ul style="list-style-type: none"> - Master of Banking and International Finance, University of Leeds . - MBA in Business and Management, National Chiao Tung University. 	<ul style="list-style-type: none"> - Spokesperson and Executive Assistant to Chairman, Acter Group Co., Ltd. - Executive Assistant to President, Taiwan Shin Kong Bank Co., Ltd. 	- Spokesperson and Executive Assistant to Chairman, Acter Group Co., Ltd.
7	Independent Director	Hong, Guo-Chao	0	<ul style="list-style-type: none"> - Master of Finance, City University of New York . - Bachelor of Science in Mechanical Engineering, National Taiwan University. 	<ul style="list-style-type: none"> - Chairman and President, Makoto bank - Chairman, Shin Kong Venture Capital Co., Ltd. 	<ul style="list-style-type: none"> - Independent Director, Phoenix Silicon International Corp. - Director and President, Taiwan Shinkong Security Co., Ltd. - Director, Nextbank - Independent Director, Jung Shing Wire Co., Ltd
8	Independent Director	Lee, Shih-Kung	0	<ul style="list-style-type: none"> - Ph.D. in Theoretical and Applied Mechanics, Cornell University, USA - Master of Science in Theory and Applied Mechanics, Cornell University, USA - Bachelor of Science in Civil Engineering, National Taiwan University. 	<ul style="list-style-type: none"> - Minister of Economic Affairs - Executive Director of Institute for Information Industry (III) - Vice President of Industrial Technology Research Institute (ITRI) - Department of Engineering and Applied Sciences Director of National Science Council (reorganized as Ministry of Science and Technology in 	<ul style="list-style-type: none"> - Applied Mechanics Distinguished Professor, NTU Institute - Chairman, Industrial Technology Research Institute(ITRI) - Chairman, Institute for Information Industry(III)

NO	Types of Nominee	Name	Shareholding (Note)	Education	Experience	Present position
					2014/3) - Research Fellow, IBM Almaden Research Center, USA	
9	Independent Director	Hwang, Giin-Tarng	0	- Ph.D.in Eberhard Karls Universität Tübingen of Faculty of Law.	<ul style="list-style-type: none"> - The 11th and 12th Commissioner of the Examination Yuan - Deputy Minister, Directorate-General of Personnel Administration, Executive Yuan - President, The Chinese Government and Public Affairs Association . - Member of the Rules Committee of the Environmental Protection Administration, Executive Yuan. - Professor, NTU Political Science 	- Consultant, Taiwan Research Institute on Water Resources and Agriculture

Note : The number of shares held as of the record date(March 30, 2024) of the shareholders' meeting.

Phoenix Silicon International Corporation

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

Name	Company name	Job title
Ming-Cheng Liang	Aptos Technology INC.	Chairman
	Xintec INC.	Independent Director
Frank Liang	Gallant Micro. Machining CO., Ltd.	Chairman and CEO
	C SUN Mfg., Ltd.	President
	Gallant Precision Machining Co., Ltd.	Vice Chairman
	Utron Technologies CO., Ltd.	Director
	Top Creation Machines Co., Ltd.	Chairman
	Power Ever Enterprises Limited.	Chairman
	Suzhou Top Creation Machines Co., Ltd.	Director
	Good Team International Enterprise Limited	Chairman
	Nantong Top Creation Machines Co., Ltd.	Director
	Control Technology Co., Ltd.	Independent 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 11-1 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.
- 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. The 16th amendment on May 27, 2022.

Phoenix Silicon International Corporation

Rules of Procedure for Shareholders Meetings

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, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities 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 and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an 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 : 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.

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. The 3rd amendment on May 27, 2022.

Phoenix Silicon International Corporation

Procedures for Election of Directors

Article 1 : The election, re-election, and supplement election of the Company's directors, unless otherwise provided by law or the Articles of Incorporation, should be processed in accordance with the "Procedures for Election of Directors." °

Article 2 : The candidates' names may be substituted with their attendance number for the Company's Board Directors' election. °

Article 3 : The election of the Company's directors (including independent directors) should be held with the considerations of the overall configuration of the Board and the diversification of the Board members; also, diversified guidelines should be formulated in accordance with the operation, business patterns, and development needs, which should include but not limited to the standards with the following two aspects:

1. Basic conditions and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (such as, law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

Board members should possess the necessary knowledge, skills, and literacy for performing duties, which include:

1. Operating judgment
2. Accounting and financial analysis
3. Management capability
4. Crisis management capabilities
5. Industry knowledge
6. International market viewpoint
7. Leadership
8. Decision-making ability

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of

kinship with any other director.

Article 4 : The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and shall be conducted in accordance with Article 24 of the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.”

Article 5 : If the dismissal of any director for any reason causes the board with less than five directors in service, an election of directors should be held in the most recent shareholders’ meeting. However, if the vacancy of board director is one thirds of the chairs designated, the Company shall have an extraordinary shareholders’ meeting held within 60 days from the date of the event occurred.

If the number of independent directors does not meet the requirements of the proviso in Article 14-2, Subparagraph 1 of Securities Exchange Act, the relevant provisions of Taiwan Stock Exchange “Corporation Rules Governing Review of Listings, or the Standards for Determining Unsuitability for GTSM Listing under Article 10, Subparagraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM” Subparagraph 8, an election of directors should be held in the most recent shareholders’ meeting. When all independent directors were dismissed, the Company shall have an extraordinary shareholders’ meeting held within 60 days from the date of the event occurred.

Article 6 : The Company’s election of directors should be handled in accordance with the cumulative suffrage system. Each stock share contains the suffrage equivalent to the number of directors to be elected, which can be distributed to one or more than one candidate.

After the company’s shares are listed, the election of directors adopts the

candidate nomination system in Article 192 of the Company Law, and the shareholders' meeting selects from the list of candidates for directors.

Article 7 : The Company's directors are elected as independent directors and non-independent directors in that order in accordance with the number of chairs designated in the Articles of Incorporation from top down. If there are two or more candidates received the same votes of suffrage resulting more candidates elected than the chairs designated, the candidates who received the same votes of suffrage are to take a draw for a solution; also, the Chairman is to take a draw on behalf of the absentees.

Article 8 : The Board of Directors shall prepare ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9 : Before the election commences, the chairman shall appoint several persons to be voting supervisors and vote counters each to perform relevant duties respectively. The voting supervisors may be appointed from among the shareholders present. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the voting supervisors before voting commences.

Article 10 : If the candidates are shareholders, the voters must detail the account name and shareholder account number of the candidate in the "candidate" column on the ballot. If the candidates are not shareholders, the name and ID Card number of the candidates must be detailed. If the candidate is a government agency or institution shareholder, the candidate column on the ballot must be detailed with the name of the government agency or institution shareholder, or it can be the name of the government agency or institution legal person and their representatives. If there is more than one representative appointed, the

name of all the representatives must be listed separately.

Article 11 : allots are invalid in any of the following circumstances:

- 1.Votes that do not comply with the “Procedures for Election of Directors.”
- 2.Blank ballots that are casted in the ballot box.
- 3.A ballot is placed in ballot boxes not prepared by the Board of Directors.
- 4.Unidentifiable ballot due to illegible or incomplete corrections.
- 5.The shareholder’s account name and number of the candidate who is a shareholder differs from the Shareholder Registry, or, the name and ID Card number of the candidate who is not a shareholder is found with nonconformity.
- 6.The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish them.
If the candidate is a non-shareholder, the ballot is only filled in with the name and without the ID number.
- 7.There are more than two candidates indicated on one ballot.
- 8.Ballot contains not only the candidate’s name, (account name), shareholder account number or ID Card number but also other unauthorized information.
- 9.The name of the candidate is same as other shareholder but failed to state the candidate’s shareholder account number or ID Card number for identification.
- 10.Failed to comply with Article 10.

Article 12 : After completion of voting by attending shareholders, the ballot boxes shall be opened and the votes will be counted on the spot under the supervision of the voting supervisors.

Article 13 : The ballot inspectors are to monitor the vote count and the Chairman is to announce the results of the vote in the meeting immediately, including the list of the elected directors and the respective number of voting rights.

The ballots of the election referred to above should be sealed, signed,

and reserved by the ballot inspector for safekeeping for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned ballots must be retained until the end of the litigation.

Article 14 : The board of directors of the Company will issue an elected notice to each elected director.

Article 15 : The matters that are not addressed in the “Procedures for Election of Directors” should be processed in accordance with the Company Act and Articles of Incorporation.

Article 16 : These procedures will be implemented after being approved in the shareholders’ meeting, same as the amendment.

The procedure was approved on June 17, 1998. The 1st amendment was made on June 19, 2002. The 2nd amendment was made on May 26, 2015. The 3rd amendment was made on June 29, 2016.

Phoenix Silicon International Corporation

Shareholdings of All Directors

1. Total shares issued as of March 30, 2024: 172,628,033 common shares. The minimum numbers of shares required to be held by all directors is at least 10,357,682 shares.
2. The numbers of shares held by the directors individually as recorded as of the book closure date for that shareholders' meeting (2024/3/30) are shown as below table.

Title	Name	Current Shareholding (Shares)
Chairman	Tony Tsai	474,681
Director	Wen-Cheng Cheng	2,828,277
Director	Min Ho Shuen Investments Co., Ltd Representative : Yao-Zen Chang	2,256,245
Director	Ting Dong Liang Investment Co., Ltd. Representative : Shin-Chin Huang	1,742,972
Director	An Grace Investment Corporation Ltd. Representative : Ji-Ceng Ma	1,213,871
Director	Gallant Precision Machining Co., Ltd., Representative : Frank Liang	8,286,461
Independent Director	Ming-Cheng Liang	600,000
Independent Director	Guo-Chao Hong	0
Independent Director	Ling-Shih Meng	0
Total		17,402,507