



Stock code: 4968

# **RichWave Technology Corporation**

## **Handbook for the 2022 Annual Meeting of Shareholders**

**(TRANSLATION)**

**Meeting Date: May 26, 2022**

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**Richwave Technology Corp.**  
**Agenda of the 2022 Regular Shareholders' Meeting**

- I. Time: 10:00 a.m., Thursday, May 26, 2022
- II. Venue: 1F., No. 399, Ruiguang Road, Neihu District, Taipei City (Multifunctional Conference Room in Liberty Square)
- III. Manner of convening the meeting: Physical shareholders' meeting
- IV. Call the meeting to order
- V. Meeting chair address
- VI. Report
  - (I) 2021 Business Report
  - (II) 2021 Audit Committee Review Report
  - (III) Report on the profit sharing remuneration to employees and directors for 2021
- VII. Adoption
  - (I) The Company's 2021 Business Report and financial statements
  - (II) The Company's 2021 earnings distribution proposal
- VIII. Discussion
  - (I) Amendments to certain provisions of the "Articles of Incorporation"
  - (II) Amendments to certain provisions of the "Procedures for the Acquisition or Disposal of Assets"
- IX. Election
  - (I) Election of directors.
- X. Other Proposals
  - (I) Release of new directors from the non-compete clause
- XI. Extempore Motions
- XII. Adjournment

## **I. Report Items**

### Report I

Subject: The 2021 Business Report is hereby presented for your review.

Explanation: The 2021 Business Report is attached herein (Please refer to Attachment 1 of this Handbook; P.07~10).

### Report II

Subject: The 2021 Audit Committee Review Report is hereby presented for your review.

Explanation: The Audit Committee Review Report is attached herein (Please refer to Attachment 2 of this Handbook; P.11).

### Report III

Subject: The profit sharing remuneration to employees and directors for 2021 is hereby presented for your review.

Explanation: In accordance with Article 24 of the Company's "Articles of Incorporation", the pre-tax profit before the distribution of employee and director's profit sharing remuneration for the year was NT\$579,016,723. In accordance with the regulations, the amount of employee's profit sharing remuneration, was not less than 8% and the amount of directors' profit sharing remuneration not more than 1% was NT\$46,321,338 and NT\$5,790,167, respectively, all paid in cash. These amounts are the same as the estimated amount of expenses recognized in 2021.

## **II. Acknowledgement**

### **Acknowledgement I**

Proposed by the Board of Directors

Subject: The Company's 2021 Business Report and financial statements are hereby submitted for your adoption.

Explanation: 1. The Company's 2021 balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flows were approved by the 6th Board of Directors at their 20th meeting held on February 24, 2022, and have been audited by CPA Tung-Hui Yeh and CPA Cheng-Chih Lin of Deloitte and Touche. The aforementioned reports and the Business Report were submitted to the Audit Committee for review, which has issued a written review report on record.

2. The Business Report, the CPA Review Report, and the aforementioned

financial statements are attached herein (please refer to Attachment 1; P. 07~10 and Attachment 3; P. 12~30 of this Handbook).

Resolution:

**Acknowledgement II**

Proposed by the Board of Directors

Subject: The Company's 2021 earnings distribution proposal is hereby submitted for your adoption.

- Explanation: 1. The Company's beginning undistributed earnings for 2021 amounted to NT\$471,977,328 and the after-tax earnings for 2021 amounted to NT\$465,515,795, plus NT\$(1,072,038) for the remeasurement of the defined benefit plan included in retained earnings and the provision of NT\$(46,444,376) for 10% of legal reserve and the provision of special reserve of NT\$(272,660) in accordance with the law, so the available-for-distribution earnings for the period amounted to NT\$889,704,049.
2. Considering the capital adequacy of the Company, no stock dividends will be distributed for 2021.
3. The Company's 2021 earnings distribution is as follows:

Richwave Technology Corp.  
Earnings distribution schedule

2021

Unit: NTD

| Item  | Amount          |               |
|---|-----------------|---------------|
| Undistributed earnings at the beginning of the period   |                 | \$471,977,328 |
| Net profit after tax for the period   | \$465,515,795   |               |
| Remeasurement of the defined benefit plan included in retained earnings   | (1,072,038)     |               |
| Total amount of net profit after tax for the period and other items than net profit after tax for the period adjusted to the undistributed earnings of the year |                 | 464,443,757   |
| Provision of 10% of legal reserve   |                 | (46,444,376)  |
| Provision of special reserve in accordance with the law   |                 | (272,660)     |
| Available-for-distribution earnings for the period  |                 | 889,704,049   |
| Distribution items:   |                 |               |
| Shareholders' bonuses-Cash dividends (\$3.5 per share)  | (\$309,641,171) | (309,641,171) |

| Item  | Amount |               |
|---|--------|---------------|
| Undistributed earnings at the end of the period |        | \$580,062,878 |

Chairperson: Dye-Jyun Ma    Managerial Officer: Shih-Chi Wang    Accounting Officer: Wei-Che Hsu

**Remark:**

- (1) The distribution of cash dividends is calculated up to NT\$1 (unconditionally rounded down to the nearest NT\$1). For the sum of the fractional amounts that are less than NT\$1, they will be adjusted one by one in the order of the amount below the decimal point from the largest to the smallest and the shareholder account number from the first to the last until the sum matches the total amount of cash dividend distribution.
- (2) The Board of Directors is authorized to determine the base date of dividend distribution and the payment date after the adoption of the shareholders' meeting.
- (3) If there is a change in the number of shares in circulation due to a change in the Company's capital stock, and the dividend distribution rate needs to be revised as a result, it is proposed that the Board of Directors is authorized by the shareholders' meeting to handle the matter at its sole discretion.
- (4) The earnings of 2021 shall take precedence for the amount of the earnings distribution.

Resolution:

### **III. Discussion**

**Discussion I**

Proposed by the Board of Directors

Subject: The amendments to certain provisions of the "Articles of Incorporation" are hereby submitted for your approval.

Explanation: 1. In order to make the manner of convening shareholders' meetings more flexible, and in accordance with Article 172-2, Paragraph 1 of the Company Act, the Company's Articles of Incorporation expressly provide that shareholders' meetings may be convened by video conference or other means announced by the central competent authority. Therefore, certain provisions of the Company's "Articles of Incorporation" have been amended.

2. The comparison of the provisions before and after the amendments to the Company's "Articles of Incorporation" is attached herein (please refer to Attachment 4 of this Handbook; P.31~32).

Resolution:

**Discussion II**

Proposed by the Board of Directors

Subject: The amendments to certain provisions of the "Procedures for the Acquisition or Disposal of Assets" are hereby submitted for your approval.

Explanation: 1. Certain provisions of the "Procedures for the Acquisition or Disposal of Assets" have been amended in accordance with the provisions of the law.  
2. The comparison of the provisions before and after the amendments to the Company's "Procedures for the Acquisition or Disposal of Assets" is attached herein (please refer to Attachment 5 of this Handbook; P.33~43).

Resolution:

## **IV. Election**

Proposed by the Board of Directors

Subject: Election of directors.

Explanation: 1. The term of office of the current directors and independent directors of the Company will expire on May 23, 2022, and the Company intends to hold a general re-election in conjunction with this regular shareholders' meeting.  
2. In accordance with Article 17 of the Company's Articles of Incorporation, the Company shall have seven to nine directors. Nine directors (including four independent directors) are to be elected for a term of three years under a candidate nomination system and are eligible for re-election. The term of office of the new directors will be from May 26, 2022 to May 25, 2025, and the term of office of the original directors will be until the completion of this regular shareholders' meeting.  
3. List of Candidates for All Directors (including Independent Directors) (please refer to Attachment 6 of this Handbook; P.44 ~ 46).  
4. The election shall be conducted in accordance with the "Procedures for Election of Directors" of the Company.

Election Results:

## **V. Other Proposals**

Proposed by the Board of Directors

Subject: The release of new directors from the non-compete clause is hereby submitted for approval.

- Explanation:
1. According to Article 209 of the Company Act, “A director who performs acts for himself/herself or for another person that falls within the scope of the company’s business shall explain to the shareholders’ meeting the important contents of his/her acts and obtain permission”.
  2. In order to leverage the expertise and experience of the Company’s directors, a proposal to release the new directors elected by the 2022 regular shareholders’ meeting from the non-compete clause is hereby submitted for the approval of this regular shareholders’ meeting.
  3. The content of the proposed release of new directors from the non-compete clause (please refer to Attachment 7 of this Handbook; P.47).

Resolution:

## **VI. Extempore Motions**

## **VII. Adjournment**



## Letter to Shareholders

I wish to thank the shareholders for your support in the past year. For years, RichWave has continuously launched new WiFi wireless communication IC products and focused on using its innovation, technologies, and unique market positioning to create products with market differentiation. We believe that RichWave will maintain its unique foothold in the market with a diverse range of wireless applications and we remain confident in future development.

## I. 2020 Business Report :

## (1) 、 Consolidated operating results

Unit: NT\$ thousands

| ITEM                                    | YEAR      |           | Amount of increase (decrease) | %       |
|---|-----------|-----------|-------------------------------|---------|
|   | 2021      | 2020      |                               |         |
| Operating revenue                       | 5,316,267 | 5,350,200 | ( 33,933)                     | ( 0.6%) |
| Gross operating profit                  | 1,546,032 | 1,898,627 | (352,595)                     | (18.6%) |
| Profit from operations                  | 533,608   | 1,007,952 | (474,344)                     | (47.1%) |
| Profit before income tax                | 526,906   | 1,017,107 | (490,201)                     | (48.2%) |
| Net profit for the year                 | 465,517   | 866,216   | (400,699)                     | (46.3%) |
| Total comprehensive income for the year | 464,172   | 865,023   | (400,851)                     | (46.3%) |

## (2) 、 Budget execution :

No financial projections will be made public in 2020, so there is no budget to be reached.

## (3) 、 Consolidated financial structure, solvency and profitability analysis :

|                         |  | 2021     | 2020     |
|-------------------------|--|----------|----------|
| Financial structure (%) | Liabilities to assets ratio  | 27.41    | 40.31    |
|                         | Long-term working capital to real estate, plants and equipment ratio | 1,261.63 | 1,713.23 |
| Solvency (%)            | Current ratio  | 322.27   | 235.44   |
|                         | Quick ratio  | 160.90   | 146.19   |
| Profitability           | Return on assets (%)   | 13.40    | 28.69    |
|                         | Return on equity (%)   | 20.31    | 48.75    |
|                         | Ratio of net profit before tax to paid-in capital (%)                | 59.56    | 160.95   |
|                         | Net profit margin (%)  | 8.76     | 16.19    |
|                         | Earnings per share (NT\$)  | 5.26     | 9.87     |

**(4) · Research and development :**

|   | 2021      | 2020      |
|---|-----------|-----------|
| Research and development expenses                                     | 539,010   | 513,922   |
| Operating revenue   | 5,316,267 | 5,350,200 |
| Research and development expenses as a percentage of operating income | 10.1%     | 9.6%      |

**(I) 2021 Business Strategy**

RichWave will uphold sustainability in its business strategy and focus on core business operations. We shall abide by regulatory requirements and change our business targets with flexibility in accordance with changes in the environment. With an experienced management team, we shall continue to maintain profitability and growth of the Company in a business environment with rapid changes.

**(II) Expected Sales Volume and Its Basis**

In 2021, RichWave shall continue to expand channels and expand the market scale and market share. Based on the current information we have obtained regarding the conditions and production capacity of customers, we plan to sell 15 to 24 million units. Due to the rapid changes in the market and trade environment, we shall closely monitor the market conditions to determine subsequent sales strategies.

**(III) Major Production & Sales Policies**

The Company's production and sales strategy in 2021 will continue to focus on aggressive market development and expansion of customer base and application areas. With our core product design capabilities, we will continue to compete head-on with foreign companies with long-held market shares to create profits for both the Company and shareholders.

**(IV) Future Development Strategy**

The mobile communication and wireless communication industry are expected to continue their rapid development in 2021. RichWave has launched a diverse range of products and created a comprehensive product line for WiFi 6 products. We expect RichWave to achieve continuous growth in the global WiFi RF IC market.

**(V) Impact of the External Competitive Environment, Regulatory Environment, and Overall Business Environment**

(1) Impact from Exchange Rate Changes:

RichWave's sales revenue and procurement expenditures are mostly denominated in USD and we use foreign-currency assets to offset foreign-currency liabilities to achieve natural hedging. RichWave also closely monitors information on exchange rate changes and exchange rate developments in order to adjust foreign-currency assets and liabilities in accordance with developments in the global macroeconomic environment, exchange rates, and future capital demand. These measures are taken to evade exchange rate risks and reduce the impact of exchange rate changes on the Company's profit and loss.

(2) Risks Associated with Over-Concentration in Purchase or Sale and Response Measures:

RichWave's procurement is concentrated due to concerns in product quality and preferred purchasing price, though RichWave maintains at least two suppliers for its main materials avoid risks resulting from over-concentration in purchasing. In addition, the concentration of RichWave's sales is mainly due to the distributors' sales to customers in Taiwan and China. To mitigate the risks of over-concentration of sales, RichWave also actively develops customers with long-term cooperation and carefully selects customers of excellent financial background to lower the risks of over-concentration of sales.

(3) The Impacts of Changes of Important Domestic and Foreign Policies and Laws on the Company's Finances and Business, and the Countermeasures:

RichWave complies with all related domestic and foreign laws and regulations in day-to-day operations and continuously pays close attention to domestic and foreign policy development trends and changes in legislation to fully understand changes in the market environment. Therefore, the Company's finance and business have not been affected by major changes in government policies and laws at home and abroad in the most recent year.

(4) Overall Business Environment

RichWave continuously monitors technological changes and developments in the industry and quickly gains information on industry developments. RichWave continuously enhances its R&D capabilities, applies for patent protection for various

innovative concepts and design developments, and actively expands future market applications to counter the impact of technological changes and industry changes on the Company.

Finally, RichWave's management team would like to thank the shareholders once again for the long-term support and we hope that they can continue to provide encouragement and information in the new year. RichWave will also continue to uphold our mission for maximizing profits for shareholders.

I would like to wish all our shareholders good fortune and health.

Chairman of the Board: Dye-Jyun Ma

President: Shih-Chi Wang

Chief Accounting Officer: Wei-Che Hsu

## **Attachment 2**

### **Audit Committee's Audit Report**

The Company's Board of Directors prepared the 2021 Business Report, financial statements, and earnings distribution table. The financial statements were audited by Tung-Hui Yeh, CPA, and Cheng-Chih Lin, CPA, of Deloitte, Taiwan and they have prepared an Audit Report. The Audit Report was reviewed by the Audit Committee who found them to be compliant with regulations. The Audit Report is therefore provided in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and filed for your review.

To

2022 General Shareholders' Meeting of RichWave Technology Corporation

RichWave Technology Corporation

Convener of the Audit Committee:  
Chia-Ying Ma

February 24, 2022

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Richwave Technology Corp.

#### Opinion

We have audited the accompanying consolidated financial statements of Richwave Technology Corp. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue Recognition

According to auditing standards in the Republic of China, there is an inherent risk of fraud in revenue recognition. Management may be under pressure to achieve their targets and attempt to inflate sales figures. The risk of authenticity of sales revenue for customers with sales growth and significant transaction amount is relatively high, giving rise to the risk of inflated sales. Therefore, revenue recognition has been identified as a key audit matter for the year ended December 31, 2021. In response to the aforementioned key audit matter, we understood the Group's internal controls on the approval of sales orders and its delivery procedures, tested the operating effectiveness of these controls, selected samples of and tested the validity of occurrence of the sales transactions, checked for discrepancies

between the counterparties of the sales transactions and the parties paying off the receivables, as well as for abnormalities in the payments received after the reporting period. For the accounting policies on revenue recognition, please refer to Note 4 (I) of the consolidated financial statements.

### **Other Matter**

We have also audited the parent company only financial statement of Richwave Technology Corp. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 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.

The engagement partners on the audits resulting in this independent auditors' report are Tung-Hui Yeh and Cheng-Chih Lin.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2022

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The*



*standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

|   | 2021                |            | 2020                |            |
|---|---------------------|------------|---------------------|------------|
|   | Amount              | %          | Amount              | %          |
| <b>ASSETS</b>   |                     |            |                     |            |
| <b>CURRENT ASSETS</b>   |                     |            |                     |            |
| Cash and cash equivalents (Notes 6 and 26)  | \$ 641,340          | 19         | \$ 844,265          | 23         |
| Accounts receivable, net (Notes 8 and 26)   | 752,673             | 23         | 1,253,538           | 34         |
| Other receivables (Notes 8 and 26)  | 9,511               | -          | 29,418              | 1          |
| Inventories (Note 9)  | 1,373,460           | 42         | 1,280,420           | 35         |
| Prepayments (Note 14)   | 27,586              | 1          | 12,914              | 1          |
| Other current assets (Note 14)  | 6,527               | -          | 5,180               | -          |
| Total current assets  | <u>2,811,097</u>    | <u>85</u>  | <u>3,425,735</u>    | <u>94</u>  |
| <b>NON-CURRENT ASSETS</b>   |                     |            |                     |            |
| Financial assets at amortized cost - non-current (Notes 7, 26 and 28)             | 110,000             | 3          | 3,000               | -          |
| Property, plant and equipment (Note 11)   | 192,678             | 6          | 128,771             | 4          |
| Right-of-use assets (Notes 12)  | 59,461              | 2          | 33,002              | 1          |
| Other intangible assets (Note 13)   | 24,934              | 1          | 18,551              | -          |
| Deferred tax assets (Note 22)   | 83,269              | 3          | 36,453              | 1          |
| Prepaid equipment   | 8,902               | -          | 4,828               | -          |
| Refundable deposits (Note 26)   | 12,786              | -          | 10,094              | -          |
| Net defined benefit assets - non-current (Note 18)                                | 38                  | -          | 774                 | -          |
| Total non-current assets  | <u>492,068</u>      | <u>15</u>  | <u>235,473</u>      | <u>6</u>   |
| <b>TOTAL</b>  | <u>\$ 3,303,165</u> | <u>100</u> | <u>\$ 3,661,208</u> | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>   |                     |            |                     |            |
| <b>CURRENT LIABILITIES</b>  |                     |            |                     |            |
| Short-term borrowings (Notes 15 and 26)   | \$ 200,000          | 6          | \$ -                | -          |
| Accounts payable (Notes 16 and 26)  | 239,208             | 7          | 969,310             | 27         |
| Accrued compensation of employees and remuneration of directors (Notes 21 and 26) | 52,111              | 2          | 100,593             | 3          |
| Other payables (Notes 17 and 26)  | 155,918             | 5          | 129,581             | 4          |
| Current tax liabilities (Note 22)   | 10,803              | -          | 141,236             | 4          |
| Lease liabilities - current (Notes 12 and 26)                                     | 31,932              | 1          | 17,030              | -          |
| Refund liabilities - current (Notes 20 and 26)                                    | 171,618             | 5          | 85,093              | 2          |
| Other current liabilities (Notes 17)  | 10,700              | -          | 12,216              | -          |
| Total current liabilities   | <u>872,290</u>      | <u>26</u>  | <u>1,455,059</u>    | <u>40</u>  |
| <b>NON-CURRENT LIABILITIES</b>  |                     |            |                     |            |
| Lease liabilities - non-current (Notes 12 and 26)                                 | 28,246              | 1          | 15,960              | -          |
| Guarantee deposits (Note 26)  | 4,765               | -          | 4,903               | -          |
| Total non-current liabilities   | <u>33,011</u>       | <u>1</u>   | <u>20,863</u>       | <u>-</u>   |
| Total liabilities   | <u>905,301</u>      | <u>27</u>  | <u>1,475,922</u>    | <u>40</u>  |
| <b>EQUITY (Note 19)</b>   |                     |            |                     |            |
| Share capital   |                     |            |                     |            |
| Ordinary shares   | 884,689             | 27         | 631,921             | 17         |
| Capital surplus   | 416,354             | 13         | 415,180             | 12         |
| Retained earnings   |                     |            |                     |            |
| Legal reserve   | 160,670             | 5          | 74,098              | 2          |
| Special reserve   | 1,101               | -          | 402                 | -          |
| Unappropriated earnings   | 936,423             | 28         | 1,064,785           | 29         |
| Total retained earnings   | <u>1,098,194</u>    | <u>33</u>  | <u>1,139,285</u>    | <u>31</u>  |
| Other equity  | (1,373)             | -          | (1,100)             | -          |
| Total equity  | <u>2,397,864</u>    | <u>73</u>  | <u>2,185,286</u>    | <u>60</u>  |
| <b>TOTAL</b>  | <u>\$ 3,303,165</u> | <u>100</u> | <u>\$ 3,661,208</u> | <u>100</u> |

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

# RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

|   | 2021             |           | 2020             |           |
|---|------------------|-----------|------------------|-----------|
|   | Amount           | %         | Amount           | %         |
| NET REVENUE (Note 20)   | \$ 5,316,267     | 100       | \$ 5,350,200     | 100       |
| OPERATING COSTS (Notes 9 and 21)  | <u>3,770,235</u> | <u>71</u> | <u>3,451,573</u> | <u>64</u> |
| GROSS PROFIT  | <u>1,546,032</u> | <u>29</u> | <u>1,898,627</u> | <u>36</u> |
| OPERATING EXPENSES (Notes 18 and 21)  |                  |           |                  |           |
| Selling and marketing expenses  | 233,442          | 4         | 197,407          | 4         |
| General and administrative expenses   | 240,954          | 5         | 179,951          | 3         |
| Research and development expenses   | 539,010          | 10        | 513,922          | 10        |
| Expected credit gain (Note 8)   | <u>(982)</u>     | <u>-</u>  | <u>(605)</u>     | <u>-</u>  |
| Total operating expenses  | <u>1,012,424</u> | <u>19</u> | <u>890,675</u>   | <u>17</u> |
| PROFIT FROM OPERATIONS  | <u>533,608</u>   | <u>10</u> | <u>1,007,952</u> | <u>19</u> |
| NON-OPERATING INCOME AND EXPENSES (Note 21)   |                  |           |                  |           |
| Interest income   | 1,940            | -         | 774              | -         |
| Other income  | 2,317            | -         | 3,089            | -         |
| Other gains and losses  | (9,754)          | -         | 6,314            | -         |
| Finance costs   | <u>(1,205)</u>   | <u>-</u>  | <u>(1,022)</u>   | <u>-</u>  |
| Total non-operating income and expenses   | <u>(6,702)</u>   | <u>-</u>  | <u>9,155</u>     | <u>-</u>  |
| PROFIT BEFORE INCOME TAX  | 526,906          | 10        | 1,017,107        | 19        |
| INCOME TAX EXPENSE (Note 22)  | <u>61,389</u>    | <u>1</u>  | <u>150,891</u>   | <u>3</u>  |
| NET PROFIT FOR THE YEAR   | <u>465,517</u>   | <u>9</u>  | <u>866,216</u>   | <u>16</u> |
| OTHER COMPREHENSIVE INCOME (LOSS)   |                  |           |                  |           |
| Items that will not be reclassified subsequently to profit or loss:   |                  |           |                  |           |
| Remeasurement of defined benefit plans (Note 18)  | (1,340)          | -         | (608)            | -         |
| Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income (Note 19) | -                | -         | 5                | -         |
| Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)                            | 268              | -         | 122              | -         |

(Continued)

## RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

|   | 2021              |          | 2020              |           |
|---|-------------------|----------|-------------------|-----------|
|   | Amount            | %        | Amount            | %         |
| Items that may be reclassified subsequently to profit or loss:                                  |                   |          |                   |           |
| Exchange differences on translation of the financial statements of foreign operations (Note 19) | \$ (273)          | -        | \$ (712)          | -         |
| Other comprehensive loss for the year, net of income tax  | (1,345)           | -        | (1,193)           | -         |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  | <u>\$ 464,172</u> | <u>9</u> | <u>\$ 865,023</u> | <u>16</u> |
| <b>EARNINGS PER SHARE (Note 23)</b>   |                   |          |                   |           |
| Basic   | <u>\$ 5.26</u>    |          | <u>\$ 9.87</u>    |           |
| Diluted   | <u>\$ 5.25</u>    |          | <u>\$ 9.77</u>    |           |

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

(Concluded)

**RIHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

|  | Share Capital                      |                 |                              |                 | Retained Earnings |                 |                         | Other Equity  |   | Total      | Total Equity |
|--|------------------------------------|-----------------|------------------------------|-----------------|-------------------|-----------------|-------------------------|---|---|------------|--------------|
|  | Number of Shares<br>(In Thousands) | Ordinary Shares | Capital Collected in Advance | Capital Surplus | Legal Reserve     | Special Reserve | Unappropriated Earnings | Unrealized Valuation Gain / (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Exchange Differences on Translation of the Financial Statements of Foreign Operations |            |              |
|  |                                    |                 |                              |                 |                   |                 |                         |   |   |            |              |
| BALANCE AT JANUARY 1, 2020   | 61,878                             | \$ 618,781      | \$ 730                       | \$ 355,743      | \$ 55,024         | \$ 74           | \$ 338,651              | \$ (28)   | \$ (374)  | \$ (402)   | \$ 1,368,601 |
| Appropriation of 2019 earnings   |                                    |                 |                              |                 |                   |                 |                         |   |   |            |              |
| Legal reserve  | -                                  | -               | -                            | -               | 19,074            | -               | (19,074)                | -   | -   | -          | -            |
| Special reserve  | -                                  | -               | -                            | -               | -                 | 328             | (328)                   | -   | -   | -          | -            |
| Cash dividends distributed by the Company  | -                                  | -               | -                            | -               | -                 | -               | (120,185)               | -   | -   | -          | (120,185)    |
| Net profit for the year ended December 31, 2020  | -                                  | -               | -                            | -               | -                 | -               | 866,216                 | -   | -   | -          | 866,216      |
| Other comprehensive loss for the year ended December 31, 2020 , net of income tax                            | -                                  | -               | -                            | -               | -                 | -               | (486)                   | 5   | (712)   | (707)      | (1,193)      |
| Issuance of ordinary shares under employee share options   | 1,314                              | 13,140          | (730)                        | 57,831          | -                 | -               | -                       | -   | -   | -          | 70,241       |
| Share-based payment expenses recognized  | -                                  | -               | -                            | 1,606           | -                 | -               | -                       | -   | -   | -          | 1,606        |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income | -                                  | -               | -                            | -               | -                 | -               | (9)                     | 9   | -   | 9          | -            |
| BALANCE AT DECEMBER 31, 2020   | 63,192                             | 631,921         | -                            | 415,180         | 74,098            | 402             | 1,064,785               | (14)  | (1,086)   | (1,100)    | 2,185,286    |
| Appropriation of 2020 earnings   |                                    |                 |                              |                 |                   |                 |                         |   |   |            |              |
| Legal reserve  | -                                  | -               | -                            | -               | 86,572            | -               | (86,572)                | -   | -   | -          | -            |
| Special reserve  | -                                  | -               | -                            | -               | -                 | 699             | (699)                   | -   | -   | -          | -            |
| Cash dividends distributed by the Company  | -                                  | -               | -                            | -               | -                 | -               | (252,768)               | -   | -   | -          | (252,768)    |
| Share dividends distributed by the Company   | 25,277                             | 252,768         | -                            | -               | -                 | -               | (252,768)               | -   | -   | -          | -            |
| Net profit for the year ended December 31, 2021  | -                                  | -               | -                            | -               | -                 | -               | 465,517                 | -   | -   | -          | 465,517      |
| Other comprehensive loss for the year ended December 31, 2021 , net of income tax                            | -                                  | -               | -                            | -               | -                 | -               | (1,072)                 | -   | (273)   | (273)      | (1,345)      |
| Share-based payment expenses recognized  | -                                  | -               | -                            | 1,174           | -                 | -               | -                       | -   | -   | -          | 1,174        |
| BALANCE AT DECEMBER 31, 2021   | 88,469                             | \$ 884,689      | \$ -                         | \$ 416,354      | \$ 160,670        | \$ 1,101        | \$ 936,423              | \$ (14)   | \$ (1,359)  | \$ (1,373) | \$ 2,397,864 |

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

## RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

|   | 2021             | 2020            |
|---|------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                  |                 |
| Profit before income tax for the year                           | \$ 526,906       | \$ 1,017,107    |
| Adjustments for:  |                  |                 |
| Depreciation expense  | 88,414           | 69,402          |
| Amortization expense  | 27,059           | 27,750          |
| Expected credit loss reversed                                   | (982)            | (605)           |
| Finance costs   | 1,205            | 1,022           |
| Interest income   | (1,940)          | (774)           |
| Share-based payment expenses recognized                         | 1,174            | 1,606           |
| Profit from lease modification                                  | (4)              | -               |
| Write-down of inventories                                       | 136,140          | 4,888           |
| Net loss on foreign currency exchange                           | 4,488            | 1,705           |
| Changes in operating assets and liabilities:                    |                  |                 |
| Accounts receivable   | 507,680          | (490,445)       |
| Other receivables   | 19,785           | (11,410)        |
| Inventories   | (229,180)        | (685,801)       |
| Net defined benefit assets                                      | (604)            | (608)           |
| Prepayments   | (14,672)         | (9,261)         |
| Other current assets  | (1,347)          | 242             |
| Accounts payable  | (735,763)        | 324,314         |
| Other payables  | 34,101           | 12,737          |
| Accrued compensation of employees and remuneration of directors | (48,482)         | 76,486          |
| Refund liabilities  | 86,229           | (24,513)        |
| Contract liabilities  | (4,025)          | 6,411           |
| Other current liabilities                                       | <u>2,509</u>     | <u>995</u>      |
| Cash generated from operations                                  | 398,691          | 321,248         |
| Interest received   | 2,062            | 626             |
| Interest paid   | (1,028)          | (1,358)         |
| Income tax paid   | <u>(238,370)</u> | <u>(35,188)</u> |
| Net cash generated from operating activities                    | <u>161,355</u>   | <u>285,328</u>  |

(Continued)

## RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

|   | 2021              | 2020              |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                   |                   |
| Purchase of financial assets at amortized cost  | \$ (107,000)      | \$ 1,138          |
| Proceeds from sale of financial assets at fair value through other comprehensive income | -                 | 16                |
| Purchase of property, plant and equipment   | (126,097)         | (68,560)          |
| Purchase of other intangible assets   | (38,669)          | (15,062)          |
| Increase in refundable deposits   | <u>(2,692)</u>    | <u>(2,091)</u>    |
| Net cash used in investing activities   | <u>(274,458)</u>  | <u>(84,559)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                   |                   |
| Increase in short-term borrowings   | 400,000           | 119,870           |
| Decrease in short-term borrowings   | (200,000)         | (181,190)         |
| Decrease in guarantee deposits  | -                 | (657)             |
| Repayment of the principal portion of lease liabilities                                 | (32,003)          | (24,283)          |
| Cash dividends paid   | (252,768)         | (120,185)         |
| Proceeds from the issuance of ordinary shares under employee share options              | <u>-</u>          | <u>70,241</u>     |
| Net cash used in financing activities   | <u>(84,771)</u>   | <u>(136,204)</u>  |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>                     | <u>(5,051)</u>    | <u>651</u>        |
| <b>NET INCREASE ( DECREASE) IN CASH AND CASH EQUIVALENTS</b>                            | (202,925)         | 65,216            |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                           | <u>844,265</u>    | <u>779,049</u>    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                                 | <u>\$ 641,340</u> | <u>\$ 844,265</u> |

The accompanying notes are an integral part of the consolidated financial statements

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Richwave Technology Corp.

### **Opinion**

We have audited the accompanying parent company only financial statements of Richwave Technology Corp. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter of the Company's parent company only financial statements is described as follows:

#### Revenue Recognition

According to auditing standards in the Republic of China, there is an inherent risk of fraud in revenue recognition. Management may be under pressure to achieve their targets and attempt to inflate sales figures. The risk of authenticity of sales revenue for customers with sales growth and significant transaction amount is relatively high, giving rise to the risk of inflated sales. Therefore, revenue recognition has been identified as a key audit matter for the year ended December 31, 2021. In response to the aforementioned key audit matter, we understood the Company's internal controls on the approval of sales orders and its delivery procedures, tested the operating effectiveness of these controls, selected samples of and tested the validity of occurrence of the sales transactions, checked for discrepancies between the counterparties of the sales transactions and the parties paying off the



receivables, as well as for abnormalities in the payments received after the reporting period. For the accounting policies on revenue recognition, please refer to Note 4 (1) of the parent company only financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only 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 auditors' report to the related disclosures in the parent company only 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 auditors' 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the parent company only financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 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.

The engagement partners on the audits resulting in this independent auditors' report are Tung-Hui Yeh and Cheng-Chih Lin.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2022

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

# RICHWAVE TECHNOLOGY CORP.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

| ASSETS  | 2021                |            | 2020                |            |
|---|---------------------|------------|---------------------|------------|
|   | Amount              | %          | Amount              | %          |
| <b>CURRENT ASSETS</b>   |                     |            |                     |            |
| Cash and cash equivalents (Notes 6 and 26)  | \$ 618,543          | 19         | \$ 830,771          | 23         |
| Accounts receivable, net (Notes 8 and 26)   | 752,673             | 23         | 1,253,538           | 34         |
| Other receivables (Notes 8 and 26)  | 7,877               | -          | 29,418              | 1          |
| Inventories (Note 9)  | 1,373,460           | 41         | 1,280,420           | 35         |
| Prepayments (Note 14)   | 24,351              | 1          | 12,914              | -          |
| Other current assets (Note 14)  | 6,527               | -          | 5,180               | -          |
| Total current assets  | <u>2,783,431</u>    | <u>84</u>  | <u>3,412,241</u>    | <u>93</u>  |
| <b>NON-CURRENT ASSETS</b>   |                     |            |                     |            |
| Financial assets at amortized cost - non-current (Notes 7, 26 and 28)             | 110,000             | 3          | 3,000               | -          |
| Investments accounted for using the equity method (Note 10)                       | 36,508              | 1          | 13,494              | -          |
| Property, plant and equipment (Note 11)   | 190,251             | 6          | 128,771             | 4          |
| Right-of-use assets (Notes 12)  | 51,381              | 2          | 33,002              | 1          |
| Other intangible assets (Note 13)   | 24,934              | 1          | 18,551              | 1          |
| Deferred tax assets (Note 22)   | 83,269              | 3          | 36,453              | 1          |
| Prepaid equipment   | 8,620               | -          | 4,828               | -          |
| Refundable deposits (Note 26)   | 12,786              | -          | 10,094              | -          |
| Net defined benefit assets - non-current (Note 18)                                | 38                  | -          | 774                 | -          |
| Total non-current assets  | <u>517,787</u>      | <u>16</u>  | <u>248,967</u>      | <u>7</u>   |
| <b>TOTAL</b>  | <u>\$ 3,301,218</u> | <u>100</u> | <u>\$ 3,661,208</u> | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>   |                     |            |                     |            |
| <b>CURRENT LIABILITIES</b>  |                     |            |                     |            |
| Short-term borrowings (Notes 15 and 26)   | \$ 200,000          | 6          | \$ -                | -          |
| Accounts payable (Notes 16 and 26)  | 239,208             | 7          | 969,310             | 27         |
| Accrued compensation of employees and remuneration of directors (Notes 21 and 26) | 52,111              | 2          | 100,593             | 3          |
| Other payables (Notes 17 and 26)  | 153,760             | 5          | 129,581             | 4          |
| Other payables from related parties (Notes 26 and 27)                             | 8,300               | -          | -                   | -          |
| Current tax liabilities (Note 22)   | 10,803              | -          | 141,236             | 4          |
| Lease liabilities - current (Notes 12 and 26)                                     | 26,460              | 1          | 17,030              | -          |
| Refund liabilities - current (Notes 20 and 26)                                    | 171,618             | 5          | 85,093              | 2          |
| Other current liabilities (Notes 17)  | 10,700              | -          | 12,216              | -          |
| Total current liabilities   | <u>872,960</u>      | <u>26</u>  | <u>1,455,059</u>    | <u>40</u>  |
| <b>NON-CURRENT LIABILITIES</b>  |                     |            |                     |            |
| Lease liabilities - non-current (Notes 12 and 26)                                 | 25,629              | 1          | 15,960              | -          |
| Guarantee deposits (Note 26)  | 4,765               | -          | 4,903               | -          |
| Total non-current liabilities   | <u>30,394</u>       | <u>1</u>   | <u>20,863</u>       | <u>-</u>   |
| Total liabilities   | <u>903,354</u>      | <u>27</u>  | <u>1,475,922</u>    | <u>40</u>  |
| <b>EQUITY (Note 19)</b>   |                     |            |                     |            |
| Share capital   |                     |            |                     |            |
| Ordinary shares   | 884,689             | 27         | 631,921             | 17         |
| Capital surplus   | 416,354             | 13         | 415,180             | 12         |
| Retained earnings   |                     |            |                     |            |
| Legal reserve   | 160,670             | 5          | 74,098              | 2          |
| Special reserve   | 1,101               | -          | 402                 | -          |
| Unappropriated earnings   | 936,423             | 28         | 1,064,785           | 29         |
| Total retained earnings   | 1,098,194           | 33         | 1,139,285           | 31         |
| Other equity  | (1,373)             | -          | (1,100)             | -          |
| Total equity  | <u>2,397,864</u>    | <u>73</u>  | <u>2,185,286</u>    | <u>60</u>  |
| <b>TOTAL</b>  | <u>\$ 3,301,218</u> | <u>100</u> | <u>\$ 3,661,208</u> | <u>100</u> |

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

## RICHWAVE TECHNOLOGY CORP.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

|   | 2021             |           | 2020             |           |
|---|------------------|-----------|------------------|-----------|
|   | Amount           | %         | Amount           | %         |
| NET REVENUE (Note 20)                       | \$ 5,316,267     | 100       | \$ 5,350,200     | 100       |
| OPERATING COSTS (Notes 9 and 21)            | <u>3,770,235</u> | <u>71</u> | <u>3,451,573</u> | <u>64</u> |
| GROSS PROFIT                                | <u>1,546,032</u> | <u>29</u> | <u>1,898,627</u> | <u>36</u> |
| OPERATING EXPENSES (Notes 18 and 21)        |                  |           |                  |           |
| Selling and marketing expenses              | 237,106          | 5         | 197,370          | 4         |
| General and administrative expenses         | 232,964          | 4         | 179,899          | 3         |
| Research and development expenses           | 539,010          | 10        | 513,922          | 10        |
| Expected credit gain (Note 8)               | <u>(982)</u>     | <u>-</u>  | <u>(605)</u>     | <u>-</u>  |
| Total operating expenses                    | <u>1,008,098</u> | <u>19</u> | <u>890,586</u>   | <u>17</u> |
| PROFIT FROM OPERATIONS                      | <u>537,934</u>   | <u>10</u> | <u>1,008,041</u> | <u>19</u> |
| NON-OPERATING INCOME AND EXPENSES (Note 21) |                  |           |                  |           |
| Interest income                             | 1,939            | -         | 773              | -         |
| Other income                                | 2,317            | -         | 3,089            | -         |
| Other gains and losses                      | (9,569)          | -         | 6,314            | -         |
| Finance costs                               | (1,162)          | -         | (1,022)          | -         |
| Share of loss of subsidiaries               | <u>(4,553)</u>   | <u>-</u>  | <u>(88)</u>      | <u>-</u>  |
| Total non-operating income and expenses     | <u>(11,028)</u>  | <u>-</u>  | <u>9,066</u>     | <u>-</u>  |
| PROFIT BEFORE INCOME TAX                    | 526,906          | 10        | 1,017,107        | 19        |
| INCOME TAX EXPENSE (Note 22)                | <u>61,389</u>    | <u>1</u>  | <u>150,891</u>   | <u>3</u>  |
| NET PROFIT FOR THE YEAR                     | <u>465,517</u>   | <u>9</u>  | <u>866,216</u>   | <u>16</u> |

(Continued)

## RICHWAVE TECHNOLOGY CORP.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

|   | 2021              |          | 2020              |           |
|---|-------------------|----------|-------------------|-----------|
|   | Amount            | %        | Amount            | %         |
| OTHER COMPREHENSIVE INCOME (LOSS)   |                   |          |                   |           |
| Items that will not be reclassified subsequently to profit or loss:   |                   |          |                   |           |
| Remeasurement of defined benefit plans (Note 18)  | \$ (1,340)        | -        | \$ (608)          | -         |
| Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income (Note 19) | -                 | -        | 5                 | -         |
| Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)                            | 268               | -        | 122               | -         |
| Items that may be reclassified subsequently to profit or loss:  |                   |          |                   |           |
| Exchange differences on translation of the financial statements of foreign operations (Note 19)                               | <u>(273)</u>      | <u>-</u> | <u>(712)</u>      | <u>-</u>  |
| Other comprehensive loss for the year, net of income tax  | <u>(1,345)</u>    | <u>-</u> | <u>(1,193)</u>    | <u>-</u>  |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR   | <u>\$ 464,172</u> | <u>9</u> | <u>\$ 865,023</u> | <u>16</u> |
| EARNINGS PER SHARE (Note 23)  |                   |          |                   |           |
| Basic   | <u>\$ 5.26</u>    |          | <u>\$ 9.87</u>    |           |
| Diluted   | <u>\$ 5.25</u>    |          | <u>\$ 9.77</u>    |           |

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

(Concluded)

**RICHWAVE TECHNOLOGY CORP.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

|  | Share Capital                      |                 |                              |                 | Retained Earnings |                 |                         | Other Equity  |   | Total      | Total Equity |
|--|------------------------------------|-----------------|------------------------------|-----------------|-------------------|-----------------|-------------------------|---|---|------------|--------------|
|  | Number of Shares<br>(In Thousands) | Ordinary Shares | Capital Collected in Advance | Capital Surplus | Legal Reserve     | Special Reserve | Unappropriated Earnings | Unrealized Valuation Gain / (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Exchange Differences on Translation of the Financial Statements of Foreign Operations |            |              |
|  |                                    |                 |                              |                 |                   |                 |                         |   |   |            |              |
| BALANCE AT JANUARY 1, 2020   | 61,878                             | \$ 618,781      | \$ 730                       | \$ 355,743      | \$ 55,024         | \$ 74           | \$ 338,651              | \$ (28)   | \$ (374)  | \$ (402)   | \$ 1,368,601 |
| Appropriation of 2019 earnings   |                                    |                 |                              |                 |                   |                 |                         |   |   |            |              |
| Legal reserve  | -                                  | -               | -                            | -               | 19,074            | -               | (19,074)                | -   | -   | -          | -            |
| Special reserve  | -                                  | -               | -                            | -               | -                 | 328             | (328)                   | -   | -   | -          | -            |
| Cash dividends distributed by the Company  | -                                  | -               | -                            | -               | -                 | -               | (120,185)               | -   | -   | -          | (120,185)    |
| Net profit for the year ended December 31, 2020  | -                                  | -               | -                            | -               | -                 | -               | 866,216                 | -   | -   | -          | 866,216      |
| Other comprehensive loss for the year ended December 31, 2020 , net of income tax                            | -                                  | -               | -                            | -               | -                 | -               | (486)                   | 5   | (712)   | (707)      | (1,193)      |
| Issuance of ordinary shares under employee share options   | 1,314                              | 13,140          | (730)                        | 57,831          | -                 | -               | -                       | -   | -   | -          | 70,241       |
| Share-based payment expenses recognized  | -                                  | -               | -                            | 1,606           | -                 | -               | -                       | -   | -   | -          | 1,606        |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income | -                                  | -               | -                            | -               | -                 | -               | (9)                     | 9   | -   | 9          | -            |
| BALANCE AT DECEMBER 31, 2020   | 63,192                             | 631,921         | -                            | 415,180         | 74,098            | 402             | 1,064,785               | (14)  | (1,086)   | (1,100)    | 2,185,286    |
| Appropriation of 2020 earnings   |                                    |                 |                              |                 |                   |                 |                         |   |   |            |              |
| Legal reserve  | -                                  | -               | -                            | -               | 86,572            | -               | (86,572)                | -   | -   | -          | -            |
| Special reserve  | -                                  | -               | -                            | -               | -                 | 699             | (699)                   | -   | -   | -          | -            |
| Cash dividends distributed by the Company  | -                                  | -               | -                            | -               | -                 | -               | (252,768)               | -   | -   | -          | (252,768)    |
| Share dividends distributed by the Company   | 25,277                             | 252,768         | -                            | -               | -                 | -               | (252,768)               | -   | -   | -          | -            |
| Net profit for the year ended December 31, 2021  | -                                  | -               | -                            | -               | -                 | -               | 465,517                 | -   | -   | -          | 465,517      |
| Other comprehensive loss for the year ended December 31, 2021 , net of income tax                            | -                                  | -               | -                            | -               | -                 | -               | (1,072)                 | -   | (273)   | (273)      | (1,345)      |
| Share-based payment expenses recognized  | -                                  | -               | -                            | 1,174           | -                 | -               | -                       | -   | -   | -          | 1,174        |
| BALANCE AT DECEMBER 31, 2021   | 88,469                             | \$ 884,689      | \$ -                         | \$ 416,354      | \$ 160,670        | \$ 1,101        | \$ 936,423              | \$ (14)   | \$ (1,359)  | \$ (1,373) | \$ 2,397,864 |

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

# RICHWAVE TECHNOLOGY CORP.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

|   | 2021             | 2020            |
|---|------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                  |                 |
| Profit before income tax for the year   | \$ 526,906       | \$ 1,017,107    |
| Adjustments for:  |                  |                 |
| Depreciation expense  | 84,337           | 69,402          |
| Amortization expense  | 27,059           | 27,750          |
| Expected credit loss reversed   | (982)            | (605)           |
| Finance costs   | 1,162            | 1,022           |
| Interest income   | (1,939)          | (773)           |
| Share-based payment expenses recognized   | 1,174            | 1,606           |
| Profit from lease modification  | (4)              | -               |
| Share of loss of subsidiaries   | 4,553            | 88              |
| Write-down of inventories   | 136,140          | 4,888           |
| Net loss on foreign currency exchange   | 5,186            | 2,417           |
| Changes in operating assets and liabilities:  |                  |                 |
| Accounts receivable   | 507,680          | (490,445)       |
| Other receivables   | 21,419           | (11,410)        |
| Inventories   | (229,180)        | (685,801)       |
| Net defined benefit assets  | (604)            | (608)           |
| Prepayments   | (11,437)         | (9,261)         |
| Other current assets  | (1,347)          | 242             |
| Accounts payable  | (735,763)        | 324,314         |
| Other payables  | 40,243           | 12,737          |
| Accrued compensation of employees and remuneration of directors                         | (48,482)         | 76,486          |
| Refund liabilities  | 86,229           | (24,513)        |
| Contract liabilities  | (4,025)          | 6,411           |
| Other current liabilities   | 2,509            | 995             |
| Cash generated from operations  | <u>410,834</u>   | <u>322,049</u>  |
| Interest received   | 2,061            | 625             |
| Interest paid   | (985)            | (1,358)         |
| Income tax paid   | <u>(238,370)</u> | <u>(35,188)</u> |
| Net cash generated from operating activities  | <u>173,540</u>   | <u>286,128</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                  |                 |
| Purchase of financial assets at amortized cost  | (107,000)        | 1,138           |
| Proceeds from sale of financial assets at fair value through other comprehensive income | -                | 16              |
| Acquisition of investments accounted for using equity method                            | (27,840)         | -               |
| Purchase of property, plant and equipment   | (123,777)        | (68,560)        |
| Purchase of other intangible assets   | (38,669)         | (15,062)        |
| Increase in refundable deposits   | <u>(2,692)</u>   | <u>(2,091)</u>  |
| Net cash used in investing activities   | <u>(299,978)</u> | <u>(84,559)</u> |

(Continued)

## **RICHWAVE TECHNOLOGY CORP.**

### **PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)**

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|  | <b>2021</b>       | <b>2020</b>       |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |                   |                   |
| Increase in short-term borrowings  | \$ 400,000        | \$ 119,870        |
| Decrease in short-term borrowings  | (200,000)         | (181,190)         |
| Decrease in guarantee deposits   | -                 | (657)             |
| Repayment of the principal portion of lease liabilities                    | (27,972)          | (24,283)          |
| Cash dividends paid  | (252,768)         | (120,185)         |
| Proceeds from the issuance of ordinary shares under employee share options | <u>-</u>          | <u>70,241</u>     |
| Net cash used in financing activities                                      | <u>(80,740)</u>   | <u>(136,204)</u>  |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>        | <u>(5,050)</u>    | <u>651</u>        |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                | (212,228)         | 66,016            |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>              | <u>830,771</u>    | <u>764,755</u>    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                    | <u>\$ 618,543</u> | <u>\$ 830,771</u> |

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)



## Attachment 4

### RichWave Technology Corporation

#### Articles of Incorporation

#### Comparison Table of Amended Articles

| Article number | Current provisions  | Amended provisions  | Reference and reason for the amendment                                      |
|----------------|---|---|---|
| Article 10     | <p>Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (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, rules and regulations.</p>   | <p>Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (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, rules and regulations.</p> <p><u>The company's shareholders meeting may be held by video conference or other methods announced by the competent authority.</u></p>   | <p>Conform to the amendments to related regulations and business needs.</p> |
| Article 25     | <p>If there is any profit after closing of books, the company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve, except that the accumulated legal capital reserve has equaled the total capital of the Corporation. Then set aside or reserve a special reserve in accordance with relative regulations. The rest of the profit plus the profit in the previous years are the profits available for dividends, could be adopt a proposal for distribution by Directors of Board.</p> <p>The Corporation's principal of profit dividend is steady and balancing. Profits may be distributed in total after taking into consideration profit earning situation, financial structure, future business development, future profit and the need of capital. The profits of this Corporation may be distributed by way of cash dividend and/or stock dividend. The ratio for stock dividend shall not less than 10% of total distribution.</p> | <p>If there is any profit after closing of books, the company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve, except that the accumulated legal capital reserve has equaled the total capital of the Corporation. Then set aside or reserve a special reserve in accordance with relative regulations. The rest of the profit plus the profit in the previous years are the profits available for dividends, could be adopt a proposal for distribution by Directors of Board.</p> <p>The Corporation's principal of profit dividend is steady and balancing. Profits may be distributed in total after taking into consideration profit earning situation, financial structure, future business development, future profit and the need of capital. The profits of this Corporation may be distributed by way of cash dividend or stock dividend. The ratio for stock dividend shall not less than 10% of total distribution.</p> | <p>Revised in accordance with the amendment of the regulations</p>          |

| Article number | Current provisions   | Amended provisions  | Reference and reason for the amendment       |
|----------------|--|---|--|
| Article 28     | These Articles of Incorporation are agreed to and signed on December 31, 2003, and the first Amendment was amended on January 30, 2004, the second Amendment on June 30, 2009, the third Amendment on June 04, 2010, the fourth Amendment on June 03, 2011, the fifth Amendment on June 06, 2012, the sixth Amendment on May 27, 2016, the seventh Amendment on May 26, 2017, the eighth Amendment on May 24, 2019, the ninth Amendment on May 29, 2020, the tenth Amendment on May 27, 2021 | These Articles of Incorporation are agreed to and signed on December 31, 2003, and the first Amendment was amended on January 30, 2004, the second Amendment on June 30, 2009, the third Amendment on June 04, 2010, the fourth Amendment on June 03, 2011, the fifth Amendment on June 06, 2012, the sixth Amendment on May 27, 2016, the seventh Amendment on May 26, 2017, the eighth Amendment on May 24, 2019, the ninth Amendment on May 29, 2020, the tenth Amendment on May 27, 2021, <u>the eleventh Amendment on May 26, 2022</u> | Added the amendment date and number of times |

## Attachment 5

### RichWave Technology Corporation

#### Regulations Governing the Acquisition and Disposal of Assets

#### Comparison Table of Amended Articles

| Article number | Current provisions   | Amended provisions   | Reference and reason for the amendment            |
|----------------|--|--|---|
| Article 5      | <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> | <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry</u></p> | Conform to the amendments to related regulations. |

| Article number | Current provisions   | Amended provisions  | Reference and reason for the amendment            |
|----------------|--|---|---|
|                | <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p> | <p><u>associations to which they belong and with</u> the following provisions:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and reasonable</u>, and that they have complied with applicable laws and regulations.</p> |   |
| Article 9      | <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price,</p>   | <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price,</p>  | Conform to the amendments to related regulations. |

| Article number | Current provisions   | Amended provisions  | Reference and reason for the amendment |
|----------------|--|---|--|
|                | <p>specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified</p> | <p>specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for</p> |  |

| Article number | Current provisions   | Amended provisions   | Reference and reason for the amendment            |
|----------------|--|--|---|
|                | price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence  | the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.  |   |
| Article 10     | The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). | The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). | Conform to the amendments to related regulations. |
| Article 11     | The company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply   | The company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.  | Conform to the amendments to related regulations. |

| Article number | Current provisions  | Amended provisions  | Reference and reason for the amendment |
|----------------|---|---|--|
|                | with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.  |   |  |
| Article 15     | <p>The company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> <li>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</li> <li>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the</li> </ol> | <p>The company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the committee:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> <li>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</li> <li>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the</li> </ol> |  |

| Article number | Current provisions   | Amended provisions  | Reference and reason for the amendment |
|----------------|--|---|--|
|                | <p>funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent</p> | <p>funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then</p> |  |



| Article number | Current provisions   | Amended provisions  | Reference and reason for the amendment |
|----------------|--|---|--|
|                | <p>director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p>   | <p>submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p> <p>If the company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the company and its parent company or subsidiaries or between its subsidiaries.</p> <p>The calculation of the transaction amounts referred to in <u>paragraph 1 and the preceding paragraph</u> shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders meeting</u> or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> |  |
| Article 31     | <p>Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or</p> | <p>Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or</p>  |  |

| Article number | Current provisions   | Amended provisions   | Reference and reason for the amendment |
|----------------|--|--|--|
|                | <p>NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Acquisition or disposal by the company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging</p> | <p>NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Acquisition or disposal by the company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging</p> |  |

| Article number | Current provisions  | Amended provisions   | Reference and reason for the amendment |
|----------------|---|--|--|
|                | <p>others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds.</p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same</li> </ol> | <p>others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> |  |

| Article number | Current provisions   | Amended provisions   | Reference and reason for the amendment |
|----------------|--|--|--|
|                | <p>type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> | <p>1. The amount of any individual transaction.</p> <p>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities</p> |  |

| Article number | Current provisions  | Amended provisions   | Reference and reason for the amendment       |
|----------------|---|--|--|
|                |   | underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.   |  |
| Article 36     | <p>This Regulation was resolved on June 13, 2014.</p> <p>These Regulations were first resolved on June 28, 2018.</p> <p>These Regulations were second resolved on May 24, 2019.</p> | <p>This Regulation was resolved on June 13, 2014.</p> <p>These Regulations were first resolved on June 28, 2018.</p> <p>These Regulations were second resolved on May 24, 2019.</p> <p><u>These Regulations were third resolved on May 26, 2022.</u></p> | Added the amendment date and number of times |

## Richwave Technology Corp.

## List of Candidates for All Directors (including Independent Directors) for the 7th term

## Candidates for directors:

| Name of the account or the individual | Dye-Jyun Ma  | Shih-Chi Wang  | Ching-Hwa Wang   | Wei-Kung Deng  | Tzu-Hsiang Liu   |
|---------------------------------------|--|--|--|--|--|
| Academic Qualifications               | Ph.D. in Electrical Engineering, University of Maryland, USA   | Ph.D. in Electrical Engineering, University of Maryland, USA   | Ph.D. in Electrical Engineering, University of Southern California, USA  | Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University  | M.S., National Chiao Tung University   |
| Experience                            | Professor and Chair, Department of Electrical Engineering, National Chung Hsing University<br>Vice President, Richtek Technology Corporation           | Associate Professor, Institute of Electrical Engineering, Feng Chia University<br>Director, Technology Research and Development Division, Winbond Electronics Corp.<br>Senior Project Manager, Taiwan Semiconductor Manufacturing Company<br>Director, ALi Corporation | GaAs Operation Manager, Hughes Aircraft Co., USA<br>Senior Manager, Intel Corporation, USA<br>President, Advanced Wireless Semiconductor Company | Assistant Manager of Technology, National Chung-Shan Institute of Science & Technology<br>Assistant Manager of Technology, Taiwan Semiconductor Manufacturing Company<br>Manager, Research and Development Department, ALi Corporation | Assistant Manager, Electronics Research Institute, Industrial Technology Research Institute<br>Assistant Manager of Technology, Taiwan Semiconductor Manufacturing Company<br>Manager, ALi Corporation |
| Current Position                      | Chairman and CEO, Richwave Technology Corp.<br>Legal representative, Shenzhen Ying Hong Technology Limited<br>Director, Minerva Technology Corporation | President, Richwave Technology Corp.   | None   | Senior Vice President of Research and Development, Richwave Technology Corp.<br>Director, AEGIS LINK CORP., USA  | Vice President, Richwave Technology Corp.  |
| Shares held                           | 2,720,540 shares   | 3,606,757 shares   | 0 shares   | 587,409 shares   | 562,109 shares   |

**Candidates for independent directors:**

|                         | Jyh-Horng Wen  | Chiang-Lin Chang   | Chia-Ying Ma  | Wen-Hsiang Lu  |
|-------------------------|--|--|---|--|
| Academic Qualifications | Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University  | B.S., Department of Electronic Engineering, National Chiao Tung University   | Ph.D., College of Business and Economics, Lehigh University, USA  | Ph.D. in Technology Management, Institute of Technology Management, College of Business, National Chengchi University  |
| Experience              | <p>Chair, Department of Electrical Engineering, Tunghai University</p> <p>Full-time Professor of Department of Electrical Engineering and Communication Engineering and Director of Center for Telecommunication Research, National Chung Cheng University</p> <p>Full-time Associate Professor, Department of Electrical Engineering, National Chung Cheng University</p> <p>Standing Committee Member, Communications Promotion Committee, Academia-Industry Consortium for Southern Taiwan Science Park</p> <p>Part-time Convener, Technical Committee for the Ability Appraisal of Telecom Professional and Technical Talents of the Telecom National Projects</p> <p>Part-time Member, Subcommittee for NCC Building Telecom Equipment Review and Certification Institution Evaluation</p> <p>Part-time Advisory Member, “Engineering and Technology Education Certification”, Department of Computer Science and Information Engineering, Da-Yeh University</p> <p>Part-time Screening Member, “WiMAX Acceleration Project” for the Industry Development Industry Technology Program, Department of Industrial Technology, Ministry of Economic Affairs</p> <p>Part-time Advisory Member, Digital Campus for Important School Affairs, Life and Learning Project for the 2006 Academic Year, Nan Kai Institute of Technology</p> <p>Part-time Advisor, Campus Electricity Informatization Advisory Group for the Ministry of Education, Taiwan Green Productivity Foundation</p> <p>Part-time Secondary Review Member and Part-time Examination Member, Telecom Discipline, National Science Council (NSC)</p> <p>Evaluation Member, University Institutional Evaluation, the Higher Education Evaluation and Accreditation Council of Taiwan</p> <p>Evaluation Member, the Evaluation Committee for the First Cycle of the Department of Electrical and Electronic Engineering, the Higher Education Evaluation and Accreditation Council of Taiwan</p> <p>Professor and General Director, the Institute of Communications Engineering,</p> | <p>Vice President of Marketing and Chief Technology Officer of Taiwan, Northeast Asia Region of Alcatel</p> <p>Executive Vice President, the Unizyx Holding Corporation</p> <p>President, MitraStar Technology Corp.</p> | <p>Full-time Professor, Department of Accounting, Soochow University</p> <p>Director of Research and Development, Soochow University</p> <p>Chief Secretary, Soochow University</p> <p>Chair, Department of Accounting, Soochow University</p> <p>Adjunct Professor, Department of Public Finance, National Chengchi University</p> <p>Adjunct Professor, Department of Information Science and Accounting, National Chung Cheng University</p> <p>Adjunct Professor, Department of Biological Science &amp; Technology, National Chiao Tung University</p> | <p>Adviser and Director of Economic Section, Taipei Representative Office in the Republic of Singapore</p> <p>Deputy Director, Intellectual Property Office, Ministry of Economic Affairs</p> <p>Prosecutor, Taipei, Shilin and Hualien District Prosecutor Offices, Taiwan</p> <p>Judge, Civil and Criminal Court, Banqiao and Shilin District Courts, Taiwan</p> <p>Distinguished Professor, Peking University, University of Chinese Academy of Sciences, Nanjing Normal University</p> |

|                  | Jyh-Horng Wen   | Chiang-Lin Chang | Chia-Ying Ma  | Wen-Hsiang Lu  |
|------------------|---|------------------|---|--|
|                  | <p>National Chi Nan University</p> <p>IEEE ComSoc Tainan Chapter Vice-Chair, Chair (part-time)</p> <p>Part-time Advisory Member, Tainan Science Park Incubation Center, Industrial Development Bureau, Ministry of Economic Affairs</p> <p>Research Assistant, Health Physics Section, Institute of Nuclear Energy Research</p> <p>Senior Technician, Digital Transmission Division, Institute of Telecommunications, Ministry of Transportation and Communications</p> <p>Part-time Director, Taichung Branch of the Chinese Institute of Electrical Engineering</p> <p>Part-time Director, Supervisor, Executive Director, and Executive Supervisor, Taiwanese Association for Consumer Electronics</p> |                  |   |  |
| Current Position | <p>Full-time Professor, Department of Electrical Engineering, Tunghai University</p> <p>Part-time Supervisor of the 7th Term, Taiwanese Association for Consumer Electronics</p> <p>Part-time Examination Member, Communications Engineering Program, Ministry of Science and Technology</p>  | None             | <p>Full-time Professor, Department of Accounting, Soochow University</p> <p>Director (Legal Representative of Corporation), Union Insurance Company</p> <p>Independent Director, Medeon Biodesign Inc.</p> <p>Independent Director, Tsc Auto ID Technology Co., Ltd.</p> <p>Independent Director, Lida Holdings Limited</p> | <p>Managing Attorney, Lu Wen-Xiang Law Firm</p> <p>Arbitrator, Chinese Arbitration Association, Taipei</p> <p>Senior Advisor, Cornerstone Intellectual Property Foundation</p> <p>Adjunct Professor, Institute of Law, Soochow University</p> <p>Adjunct Professor, Institute of Intellectual Property Rights, Xiamen University</p> |
| Shares held      | 0 shares  | 0 shares         | 0 shares  | 0 shares   |



**Attachment 7**

**Richwave Technology Corp.**

**List of New Directors Released from Non-Compete Clause**

| Title                | Name         | Concurrent position(s) in other companies now   |
|----------------------|--------------|---|
| Independent director | Chia-Ying Ma | Director (Legal Representative of Corporation), Union Insurance Company<br>Independent Director, Medeon Biodesign Inc.<br>Independent Director, Tsc Auto ID Technology Co., Ltd.<br>Independent Director, Lida Holdings Limited |

**Richwave Technolngy Inc.**

**Articles of Incorporation**

**CHAPTER I GENERAL PROVISIONS**

**Article 1**

The Corporation is organized under the Corporation Law and shall be named RichWave Technology Corporation.

**Article 2**

The business scope of the Corporation shall be as follows:

1. To engage in CCO1050 Data Storage Media Manufacturing and Duplicating;
2. To engage in CCO1070 Telecommunication Equipment and Apparatus Manufacturing;
3. To engage in CCO1080 Electronic Parts and Components Manufacturing;
4. To engage in E605010 Computing Equipments Installation Construction;
5. To engage in E701010 Telecommunications Construction;
6. To engage in F118010 Wholesale of Computer Software;
7. To engage in F119010 Wholesale of Electronic Materials;
8. To engage in F218010 Retail Sale of Computer Software;
9. To engage in F219010 Retail Sale of Electronic Materials;
10. To engage in F401010 International Trade;
11. To engage in F601010 Intellectual Property;
12. To engage in I301010 Software Design Services;
13. To engage in I301020 Data Processing Services;
14. To engage in I301030 Digital Information Supply Services;
15. To engage in I501010 Product Designing;
16. To engage in IZ99990 Other Industry and Commerce Services Not Elsewhere Classified;
17. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

**Article 3**

The Corporation may provide endorsement and guarantee and act as a guarantor after approval by the Board of Directors for the Corporation of same trade or related Corporation.

#### Article 4

The total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty (40) percent of the Corporation's paid-up capital.

#### Article 5

The Corporation shall have its head office in Taipei, Taiwan, Republic of China, and shall be free, upon resolutions of the Board of Directors and approval of government authorities in charge, to set up representative and branch offices at various locations within and without in the territory of the Republic of China, wherever and whenever the Corporation deems it necessary.

#### Article 6

Public announcements of the Corporation shall be made in accordance with the Article 28 of the Corporation Law.

### CHAPTER 2 SHARES

#### Article 7

The total capital stock of the Corporation shall be in the amount of 2,000,000,000 New Taiwan Dollars, divided into 200,000,000 shares, at 10 New Taiwan Dollars each, and may be paid-up in installments. A total amount of 200,000,000 New Taiwan Dollars, divided into 10,000,000 shares, at ten New Taiwan Dollars each, among the above total capital stock should be reserved for issuing stock options certificates, stock certificates with attached warrant, or corporate bond with attached warrant.

#### Article 8

The share certificates of the Corporation shall without exception be in registered form, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority upon issuance. Shares issued by the Corporation need not be in certificate form.

#### Article 9

Registration for transfer of shares shall be suspended thirty (30) days before the date of regular meeting of shareholders, and fifty (15) days before the date of any special meeting of shareholders. After the Corporation's stock go public, registration for transfer of shares shall be suspended sixty (60) days before the date of regular meeting of shareholders, and thirty (30) days before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

### CHAPTER 3 SHAREHOLDERS' MEETING

#### Article 10

Shareholders' meetings of the Corporation are of two types, namely: (1) regular

meetings and (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, rules and regulations.

#### Article 11

Notices shall be sent to all shareholders of regular shareholders' meetings, at least twenty (20) days in advance; in case of special meetings, at least ten (10) days in advance. After The Corporation's stock go public, the regular shareholders' meetings, at least thirty (30) days in advance; in case of special meetings, at least fifty (15) days in advance. The purpose(s) for convening any such meeting shall be clearly stated in the written notices sent out to the shareholders.

#### Article 12

The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Corporation. In his absence, either one Director appointed by Chairman, or one of the Directors selected by all Directors shall preside.

#### Article 13

If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it with the shareholder's signed or sealed POA printed by the Corporation, and to exercise, on his/her behalf, in the rights at the meeting,

#### Article 13-1

In accordance with Article 177-1 and 177-2 of the Corporation Law, the shareholders may vote via an electronic voting system in the shareholder's meeting of the Corporation.

#### Article 14

Each share of stock shall be entitled to one vote, unless otherwise provided in Article 179-2 of Corporation Law.

#### Article 15

Except as provided in the Corporation Law, 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.

#### 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. A copy of the minutes shall be forwarded to each shareholder within twenty (20) days after the meeting. The minutes may record and send via an electronic system. Minutes shall state the date, place, name of the chairman, the means by which resolution is adopted of the meeting, the abstract and results of proceedings. Such minutes, together with the attendance's signature list and proxies, shall be filed

and kept at the head office of the Corporation at least one year. After The Corporation's stock go public, the minutes may forward by publicly announced.

#### Article 16-1

The Corporation may revoke the public issuance of its stocks with the resolutions of the Shareholders' meeting, and this clause could not be revised when the stocks go to the emerging stock board or public stock board.

### CHAPTER 4 DIRECTORS AND COMMITTEES

#### Article 17

The Corporation shall have seven to nine Directors, and the term shall be three (3) years. The Directors shall be selected by eligible Shareholders, and shall be eligible for re-election.

At least three (3) directors or one-fifth of all directors, whichever is higher, shall be the independent directors. The qualification, the limitations of shareholding and concurrently serving other positions, the methods of nomination and election and other related matters shall be subject to the applicable laws.

With independent and non-independent directors elected at the same time, but in separately calculated numbers.

#### Article 17-1

The Company shall set forth the Audit Committee, which comprises of all the independent directors. The seats, the term, the authorities, the rules governing meetings and the resources the Company shall provide upon the committee's exercise of authority shall be governed by the Audit Committee Charter, which will be set forth separately.

#### Article 17-2

The Board of Directors shall set up functional committees for Remuneration Committee. The Committee members' qualifications, duties and related matters shall be defined by the Board of Directors in accordance with the related laws and regulations.

#### Article 18

When one-third(1/3) of the Directors have vacated their offices, the special shareholder's meeting shall be called by the Board of Directors for election of Directors to fill the vacancies until the original term expires.

#### Article 18-1

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates; those candidates receiving more voting rights shall be elected as Directors.

#### Article 19

The Board of Directors shall made by Directors. The Directors shall elect from among

themselves a Chairman of the Board of Directors by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation. Except as otherwise provided in the Corporation Law, a resolution of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting. If any director is unable to attend Board of Directors' meeting, he/she may appoint another director to attend the meeting.

#### Article 19-1

A Board of Director's meeting shall be called with a seven (7) days prior written notice setting forth the cause(s) of such meeting to all directors, except there is an urgent need. In case of emergency, a Board of Directors' meeting may called at any time. The meeting notice may be given via facsimile 、email or other ways.

#### Article 20

In Chairman's absence, any one acting for him shall according to Article 208 of the Corporation Law.

#### Article 21

The Board of Directors is authorized to determine the compensation for the Chairman, 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 21-1

The Directors's liability insurance shall be bought by thr Corporation for the liability of compensation they may bear according to law in their business scope.

### CHAPTER 5 OFFICERS

#### Article 22

The Corporation may employ managing persons,the appointment 、discharge and making payment shall be handle according to the Corporation Law.

### CHAPTER 6 FINANCIAL ACCOUNTS

#### Article 23

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

1. Business Report;
2. Financial Statements;
3. Proposal Concerning Appropriation of Net Profits or Covering of Losses.

#### Article 24

If there is any profit after closing of books, the Corporation shall first set aside ten percent (8%) for its employee's compensation and shall be divided by Board of

Director's resolution, distributed in the form of shares or in cash. The qualification requirements of employees, including the employees of subsidiaries of the Corporation meeting certain specific requirements. The Corporation may set aside directors's compensation not more than one percent. And in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, the Corporation's accumulated losses shall have been covered.

#### Article 25

If there is any profit after closing of books, the company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve, except that the accumulated legal capital reserve has equaled the total capital of the Corporation. Then set aside or reserve a special reserve in accordance with relative regulations. The rest of the profit plus the profit in the previous years are the profits available for dividends, could be adopt a proposal for distribution by Directors of Board.

The Corporation's principal of profit dividend is steady and balancing. Profits may be distributed in total after taking into consideration profit earning situation, financial structure, future business development, future profit and the need of capital. The profits of this Corporation may be distributed by way of cash dividend and/or stock dividend. The ratio for stock dividend shall not less than 10% of total distribution.

### CHAPTER 7 SUPPLEMENTAL PROVISIONS

#### Article 26

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

#### Article 27

In regard to all matters not provided for in these Articles of Incorporation, the Corporation Law shall govern.

#### Article 28

These Articles of Incorporation are agreed to and signed on December 31, 2003, and the first Amendment was amended on January 30, 2004, the second Amendment on June 30, 2009, the third Amendment on June 04, 2010, the fourth Amendment on June 03, 2011, the fifth Amendment on June 06, 2012, the sixth Amendment on May 27, 2016, the seventh Amendment on May 26, 2017, the eighth Amendment on May 24, 2019, the ninth Amendment on May 29, 2020, the tenth Amendment on July 27, 2021

Dye-Jyun, Ma  
Chairman

Richwave Technology Inc.

## Appendix 2

### Richwave Technology Inc.

#### Regulations Governing the Acquisition and Disposal of Assets

##### Chapter I General Principles

###### Article 1

These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act").

###### Article 2

The company shall handle the acquisition or disposal of assets in compliance with these Regulations; provided, where another law or regulation provides otherwise, such provisions shall govern.

###### Article 3

The term "assets" as used in these Regulations includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

###### Article 4

Terms used in these Regulations are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or



rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

2.Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

3.Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

5.Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6.Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.

8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

## Article 5

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the

Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

## Chapter II Disposition Procedures

### Section I Establishment of Disposition Procedures

#### Article 6

The company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the audit committee and the board of directors, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by

more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

#### Article 7

The company shall specify the following items in its procedures for the acquisition or disposal of assets, and handle the acquisition or disposal matters in compliance with the procedures:

- 1.The scope of assets.
- 2.Appraisal procedures: Shall include the means of price determination and supporting reference materials.
- 3.Operating procedures: Shall include the degree of authority delegated, the levels to which authority is delegated, the units responsible for implementation, and transaction process.
- 4.Public announcement and regulatory filing procedures.
- 5.Total amounts of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary for business use, and limits on individual securities.
- 6.Control procedures for the acquisition and disposal of assets by subsidiaries.
- 7.Penalties for personnel violating these Regulations or the procedures for the acquisition or disposal of assets.
- 8.Other important matters.

The company that engages in any related party transaction, engages in derivatives trading, or conducts a merger, demerger, acquisition, or transfer of shares of enterprises shall, in addition to conducting such matters in compliance with the provisions of the preceding paragraph, shall also establish related procedures in accordance with the provisions of Section III through Section V of this Chapter.

If the company does not intend to engage in derivatives trading, it may, after obtaining the approval of the board of directors, be exempted from adopting procedures governing derivatives trading. If it subsequently wishes to engage in derivatives trading, it will still be required first to comply with the provisions of the preceding article and the preceding paragraph before doing so.

The company shall see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Regulations.

#### Article 8

With respect to the company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee.

Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, any transaction involving major assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

## Section II Acquisition or Disposal of Assets

### Article 9

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks commencing immediately from the date of occurrence.

#### Article 10

The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

#### Article 11

The company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

#### Article 12

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

#### Article 13

The company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

### Section III Related Party Transactions

## Article 14

The company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12 herein.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

## Article 15

The company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.
4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or

indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

## Article 16

The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

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

The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

The company acquires real property or right-of-use assets thereof from a related party

and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

#### Article 17

When the results of the company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.

2. The company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to



the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

#### Article 18

The company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. The audit committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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

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

### Section IV Engaging in Derivatives Trading

#### Article 19

The company engaging in derivatives trading shall pay strict attention to control of the following important risk management and auditing matters, and incorporate them into their Procedures:

1. Trading principles and strategies: Shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts.
2. Risk management measures.
3. Internal audit system.
4. Regular evaluation methods and the handling of irregular circumstances.

## Article 20

The company engaging in derivatives trading shall adopt the following risk management measures:

1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
5. Other important risk management measures.

## Article 21

The company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

The company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

## Article 22

The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval

dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book.

The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all the audit committee shall be notified in writing.

## Section V Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

### Article 23

The company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

### Article 24

The company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

### Article 25

A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

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

Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

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

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

## Article 26

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

## Article 27

The company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the company's financial operations.

3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

#### Article 28

The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. The preliminary progress schedule for plan execution, and anticipated completion date.
6. The scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

#### Article 29

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

#### Article 30

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 25, Article 26, and the preceding article.

## Chapter III Public Disclosure of Information

### Article 31

Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. Merger, demerger, acquisition, or transfer of shares.

3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.

4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:

A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.

B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

5. Acquisition or disposal by the company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.

6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.

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

A. Trading of domestic government bonds.

B. Where done by professional investors—securities trading on securities exchanges or

OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

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

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

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

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

When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within of such error or omission.

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

## Article 32

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

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

### 3.Change to the originally publicly announced and reported information.

#### Chapter IV Additional Provisions

##### Article 33

Public enterprises acquiring or disposing of assets are required to carry out information disclosure in compliance with the provisions of the preceding Chapter, but otherwise are exempted from observing the provisions of these Regulations.

##### Article 34

Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the company's subsidiary that is not itself a public company in Taiwan shall be reported by the company.

The paid-in capital or total assets of the company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 31, paragraph 1.

##### Article 35

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

##### Article 36

This Regulation was resolved on June 13, 2014.

These Regulations were first resolved on June 28, 2018.

These Regulations were second resolved on May 24, 2019.



**Richwave Technology Inc.  
Rules of Procedure for Shareholders Meetings**

**Article 1**

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**

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**

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

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, 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.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding one 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. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. 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.

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.

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.

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

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.

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.

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

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

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.

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.

This Corporation shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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, pre-printed ballots shall also be furnished.

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.

## Article 7

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

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.

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 independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

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.

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

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.

The chair shall call the meeting to order at the appointed meeting time.

At the time of the session, the Chairman shall declare the meeting and at the same time announce the number of non-voting rights and the number of shares present and other relevant information

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.

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.

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

#### Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of

directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including 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.

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.

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 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

#### Article 12

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 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

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

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. 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.

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.

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.

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.

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

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

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

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment procedure 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.

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

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes in accordance with Article 183 of the Company Act.

#### Article 16

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.

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

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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."

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.

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

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.

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.

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, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

#### Article 20

These Regulations were resolved on June 30, 2009.

These Regulations were first resolved on June 06, 2012.

These Regulations were second resolved on June 13, 2014.

These Regulations were third resolved on May 08, 2015.

These Regulations were fourth resolved on May 24, 2019.

These Regulations were sixth resolved on July 27, 2021



### Richwave Technology Inc. Procedures for Election of Directors

#### Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

#### Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

#### Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
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.

The board of directors of this Corporation shall consider adjusting its composition based

on the results of performance evaluation.

#### Article 4

The qualifications for the independent directors of this Corporation 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 this Corporation 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

Elections of both directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall confirm the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

#### Article 6

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The election of independent directors and non-independent directors shall be held together; provided, however, that the number of independent directors and non-independent directors elected shall be calculated separately.

The election of Directors (including independent directors) shall adopt the candidate

nomination system pursuant to Article 192-1 of the Company Act.

#### Article 7

The board of directors shall prepare separate 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 8

The number of directors will be as specified in this Corporation's articles of incorporation. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

#### Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

#### Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
7. One ballot has been balloted with two candidates or more than two.

#### Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

#### Article 12

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

#### Article 13

These Procedures were resolved on February 12, 2015, and the first Amendment was amended on May 24, 2019, and the second Amendment was amended on July 27, 2021.

## Appendix 5

### RichWave Technology Corporation Shareholding of the Board of Directors

The shareholdings of all Directors as of the book closure date of the current shareholders' meeting on March 28, 2022 are as follows:

| Title                                  | Name             | Shares held | Percentage of total outstanding shares (%) |
|--|------------------|-------------|--|
| Chairman of the Board                  | Dye-Jyun Ma      | 2,720,540   | 3.08%                                      |
| Director                               | Shih-Chi Wang    | 3,606,757   | 4.08%                                      |
| Director                               | Wei-Kang Teng    | 587,409     | 0.66%                                      |
| Director                               | Ching-Hua Wang   | 0           | 0%   |
| Independent Director                   | Chia-Ying Ma     | 0           | 0%   |
| Independent Director                   | Chih-Hung Wen    | 0           | 0%   |
| Independent Director                   | Chiang-Lin Chang | 0           | 0%   |
| Number of shares held by all directors |                  | 6,914,706   | 7.82%                                      |

Note: 1. The total number of outstanding shares of the Company as of March 28, 2022 was 88,468,906 shares.

2. The Directors of the Company are required by law to hold 7,077,512 shares. The number of shares held by all Directors not meet the legally required percentage.